

1 **FOR THE HOUSE OF REPRESENTATIVES**

2	General Fund--State Appropriation (FY 2004)	\$28,109,000
3	General Fund--State Appropriation (FY 2005)	(\$28,233,000)
4		<u>\$28,308,000</u>
5	Department of Retirement Systems Expense Account--	
6	State Appropriation	\$45,000
7	TOTAL APPROPRIATION	(\$56,387,000)
8		<u>\$56,462,000</u>

9 The appropriations in this section are subject to the following
10 conditions and limitations: \$25,000 of the general fund--state
11 appropriation is provided for allocation to Project Citizen, a program
12 of the national conference of state legislatures to promote student
13 civic involvement.

14 **Sec. 102.** 2003 1st sp.s. c 25 s 102 (uncodified) is amended to
15 read as follows:

16 **FOR THE SENATE**

17	General Fund--State Appropriation (FY 2004)	\$22,001,000
18	General Fund--State Appropriation (FY 2005)	(\$23,173,000)
19		<u>\$23,248,000</u>
20	Department of Retirement Systems Expense Account--	
21	State Appropriation	\$45,000
22	TOTAL APPROPRIATION	(\$45,219,000)
23		<u>\$45,294,000</u>

24 The appropriations in this section are subject to the following
25 conditions and limitations: \$25,000 of the general fund--state
26 appropriation is provided for allocation to Project Citizen, a program
27 of the national conference of state legislatures to promote student
28 civic involvement.

29 **Sec. 103.** 2003 1st sp.s. c 25 s 103 (uncodified) is amended to
30 read as follows:

31 **FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE**

32	General Fund--State Appropriation (FY 2004)	\$1,627,000
33	General Fund--State Appropriation (FY 2005)	(\$1,717,000)
34		<u>\$2,340,000</u>
35	<u>General Fund--Federal Appropriation (FY 2005)</u>	<u>\$50,000</u>
36	TOTAL APPROPRIATION	(\$3,344,000)

The appropriations in this section are subject to the following conditions and limitations:

(1) \$250,000 of the general fund--state appropriation for fiscal year 2005 is provided solely to implement Engrossed Substitute House Bill No. 1869 (tax preferences). If the bill is not enacted by June 30, 2004, the amount provided in this subsection shall lapse.

(2) \$21,000 of the general fund--state appropriation for fiscal year 2005 is provided solely to implement Engrossed House Bill No. 3094 (high school skills center). If the bill is not enacted by June 30, 2004, the amount provided in this subsection shall lapse.

(3) \$152,000 of the general fund--state appropriation for fiscal year 2005 is provided solely to implement Third Engrossed Substitute House Bill No. 1053 (government accountability). If the bill is not enacted by June 30, 2004, the amount provided in this subsection shall lapse.

(4) \$50,000 of the general fund--state appropriation for fiscal year 2005 is provided solely for a study of state and national trends for prevalence of developmental disabilities including autism, mental retardation, cerebral palsy, and other major developmental disabilities. The study shall include but not be limited to a review of:

(a) Epidemiological studies on the causes of developmental disabilities;

(b) On-going population-based surveillance being conducted in other states;

(c) Genetic and environmental factors that may be contributing to an increase in developmental disabilities; and

(d) Data sources specific to Washington state.

A report shall be submitted to the appropriate committees of the legislature by December 1, 2004.

(5) \$150,000 of the general fund--state appropriation for fiscal year 2005 is provided solely for a performance review of the policies and practices of the state wildfire suppression program. The performance review shall include, but not be limited to:

(a) A review of how current fire suppression practices comply with the policies and intent of chapter 76.04 RCW.

1 (b) An examination of what factors are contributing to the recent
2 increase in the cost of fire suppression. This examination shall
3 include a review of changes in the use of high cost equipment and
4 services; changes in the level of reimbursement for contractors and
5 employees; changes in the use of permanent agency employees for fire
6 suppression compared to the use of temporary employees, inmate labor,
7 and contractors; and changes in other significant costs. This
8 examination shall include an analysis of how the respective
9 responsibilities of various state agencies, local fire districts, and
10 federal agencies are used to determine how costs are allocated to the
11 different responsible agencies.

12 (c) An examination of how the department of natural resources
13 determines the proportion of fire suppression costs charged to private
14 parties and the land owners' contingency account.

15 A final report of this performance audit shall be provided to the
16 appropriate fiscal and policy committees of the legislature by June 30,
17 2005.

18 (6) \$50,000 of the general fund--federal appropriation for fiscal
19 year 2005 for state administration under Title II is provided solely
20 for a study of state and school district expenditures for Title II.

21 **Sec. 104.** 2003 1st sp.s. c 25 s 104 (uncodified) is amended to
22 read as follows:

23 **FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE**

24 General Fund--State Appropriation (FY 2004)	((\$1,656,000))
	\$1,631,000
26 General Fund--State Appropriation (FY 2005)	((\$1,799,000))
	\$1,774,000
28 TOTAL APPROPRIATION	((\$3,455,000))
	\$3,405,000

30 ~~((The appropriations in this section are subject to the following~~
31 ~~conditions and limitations: \$25,000 of the general fund state~~
32 ~~appropriation for fiscal year 2004 and \$25,000 of the general fund~~
33 ~~state appropriation for fiscal year 2005 are provided solely for the~~
34 ~~legislative evaluation and accountability program committee, in~~
35 ~~consultation with the economic and revenue forecast council, to~~
36 ~~establish and maintain a set of economic indicators that could be used~~

1 for adjusting the statewide salary schedule by a regional cost of
2 living index. The economic indicators to be included in this index
3 include but are not limited to the median cost of housing.

4 (1) In developing the regional cost of living index, the
5 legislative evaluation and accountability program committee shall
6 collect data on the economic activity comprising the cost of living
7 indexes for geographic areas of the state coterminous with the
8 boundaries of the nine educational service districts established under
9 RCW 28A.310.010.

10 (2) Not later than July 1, 2004, the legislative evaluation and
11 accountability program committee shall submit the regional cost of
12 living index to an advisory committee for its review. The advisory
13 committee shall be appointed by the governor and shall consist of one
14 member representing the office of financial management, one member
15 representing the employment security department, one member
16 representing the office of the superintendent of public instruction,
17 and three representatives of the private sector having demonstrated
18 expertise in regional economics. The advisory committee shall not
19 receive compensation for performance of its duties but may be
20 reimbursed for travel expenses in accordance with RCW 43.03.050 and
21 43.03.060.

22 (3) Not later than October 1, 2004, the advisory committee created
23 under this section shall submit to the director of the legislative
24 evaluation and accountability program committee written comment on the
25 proposed regional cost of living index. The written comment may
26 include recommendations for revision to the index or its components.)

27 **Sec. 105.** 2003 1st sp.s. c 25 s 106 (uncodified) is amended to
28 read as follows:

29 **FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE**

30	General Fund--State Appropriation (FY 2004)	\$6,754,000
31	General Fund--State Appropriation (FY 2005)	((\$6,753,000))
32		<u>\$8,153,000</u>
33	TOTAL APPROPRIATION	((\$13,507,000))
34		<u>\$14,907,000</u>

35 **Sec. 106.** 2003 1st sp.s. c 25 s 109 (uncodified) is amended to
36 read as follows:

1 **FOR THE SUPREME COURT**

2 General Fund--State Appropriation (FY 2004) ((~~\$5,462,000~~))

3 \$5,481,000

4 General Fund--State Appropriation (FY 2005) ((~~\$5,665,000~~))

5 \$5,714,000

6 TOTAL APPROPRIATION ((~~\$11,127,000~~))

7 \$11,195,000

8 **Sec. 107.** 2003 1st sp.s. c 25 s 110 (uncodified) is amended to
 9 read as follows:

10 **FOR THE LAW LIBRARY**

11 General Fund--State Appropriation (FY 2004) ((~~\$2,045,000~~))

12 \$2,049,000

13 General Fund--State Appropriation (FY 2005) \$2,050,000

14 TOTAL APPROPRIATION ((~~\$4,095,000~~))

15 \$4,099,000

16 **Sec. 108.** 2003 1st sp.s. c 25 s 111 (uncodified) is amended to
 17 read as follows:

18 **FOR THE COURT OF APPEALS**

19 General Fund--State Appropriation (FY 2004) ((~~\$12,510,000~~))

20 \$12,520,000

21 General Fund--State Appropriation (FY 2005) ((~~\$12,747,000~~))

22 \$12,886,000

23 TOTAL APPROPRIATION ((~~\$25,257,000~~))

24 \$25,406,000

25 **Sec. 109.** 2003 1st sp.s. c 25 s 113 (uncodified) is amended to
 26 read as follows:

27 **FOR THE ADMINISTRATOR FOR THE COURTS**

28 General Fund--State Appropriation (FY 2004) ((~~\$17,295,000~~))

29 \$17,374,000

30 General Fund--State Appropriation (FY 2005) ((~~\$17,340,000~~))

31 \$18,036,000

32 Public Safety and Education Account--State

33 Appropriation ((~~\$43,389,000~~))

34 \$43,623,000

35 Judicial Information Systems Account--State

1	Appropriation	((\$27,903,000))
2		<u>\$31,803,000</u>
3	TOTAL APPROPRIATION	((\$105,927,000))
4		<u>\$110,836,000</u>

5 The appropriations in this section are subject to the following
6 conditions and limitations:

7 (1) The judicial information systems account appropriation shall be
8 used for the operations and maintenance of technology systems that
9 improve services provided by the supreme court, the court of appeals,
10 the office of public defense, and the administrator for the courts.

11 (2) \$750,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$750,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided solely for court-appointed special
14 advocates in dependency matters. The administrator for the courts,
15 after consulting with the association of juvenile court administrators
16 and the association of court-appointed special advocate/guardian ad
17 litem programs, shall distribute the funds to volunteer court-appointed
18 special advocate/guardian ad litem programs. The distribution of
19 funding shall be based on the number of children who need volunteer
20 court-appointed special advocate representation and shall be equally
21 accessible to all volunteer court-appointed special advocate/guardian
22 ad litem programs. The administrator for the courts shall not retain
23 more than six percent of total funding to cover administrative or any
24 other agency costs.

25 (3) (~~(\$12,572,000)~~) \$16,472,000 of the judicial information systems
26 account--state appropriation is provided solely for improvements and
27 enhancements to the judicial information system. (~~(This funding shall
28 only be expended after the office of the administrator for the courts
29 certifies to the office of financial management that there will be at
30 least a \$1,000,000 ending fund balance in the judicial information
31 systems account at the end of the 2003-05 biennium.)~~)

32 (4) \$3,000,000 of the public safety and education account--state
33 appropriation is provided solely for school district petitions to
34 juvenile court for truant students as provided in RCW 28A.225.030 and
35 28A.225.035. The office of the administrator for the courts shall
36 develop an interagency agreement with the office of the superintendent
37 of public instruction to allocate the funding provided in this

1 subsection. Allocation of this money to school districts shall be
2 based on the number of petitions filed.

3 (5) \$13,224,000 of the public safety and education account--state
4 appropriation is provided solely for distribution to county juvenile
5 court administrators to fund the costs of processing truancy, children
6 in need of services, and at-risk youth petitions. The office of the
7 administrator for the courts shall not retain any portion of these
8 funds to cover administrative costs. The office of the administrator
9 for the courts, in conjunction with the juvenile court administrators,
10 shall develop an equitable funding distribution formula. The formula
11 shall neither reward counties with higher than average per-petition
12 processing costs nor shall it penalize counties with lower than average
13 per-petition processing costs.

14 (6) The distributions made under subsection (6) of this section and
15 distributions from the county criminal justice assistance account made
16 pursuant to section 801 of this act constitute appropriate
17 reimbursement for costs for any new programs or increased level of
18 service for purposes of RCW 43.135.060.

19 (7) Each fiscal year during the 2003-05 fiscal biennium, each
20 county shall report the number of petitions processed and the total
21 actual costs of processing truancy, children in need of services, and
22 at-risk youth petitions. Counties shall submit the reports to the
23 ((department)) administrator for the courts no later than 45 days after
24 the end of the fiscal year. The department shall electronically
25 transmit this information to the chairs and ranking minority members of
26 the house of representatives appropriations committee and the senate
27 ways and means committee no later than 60 days after a fiscal year
28 ends. These reports are deemed informational in nature and are not for
29 the purpose of distributing funds.

30 (8) \$813,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$762,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for billing and related costs for
33 the office of the administrator for the courts pursuant to Engrossed
34 Substitute Senate Bill No. 5990 (supervision of offenders).

35 (9) \$1,800,000 of the public safety and education account
36 appropriation is provided solely for distribution to the county clerks
37 for the collection of legal financial obligations pursuant to Engrossed
38 Substitute Senate Bill No. 5990 (supervision of offenders). The

1 funding shall be distributed by the office of the administrator for the
2 courts to the county clerks in accordance with the funding formula
3 determined by the Washington association of county officials pursuant
4 to Engrossed Substitute Senate Bill No. 5990 (supervision of
5 offenders).

6 **Sec. 110.** 2003 1st sp.s. c 25 s 114 (uncodified) is amended to
7 read as follows:

8 **FOR THE OFFICE OF PUBLIC DEFENSE**

9	General Fund--State Appropriation (FY 2004)	\$666,000
10	General Fund--State Appropriation (FY 2005)	\$884,000
11	Public Safety and Education Account--State	
12	Appropriation	(\$12,395,000)
13		<u>\$12,783,000</u>
14	TOTAL APPROPRIATION	(\$13,945,000)
15		<u>\$14,333,000</u>

16 The appropriations in this section are subject to the following
17 conditions and limitations:

18 (1) \$51,000 of the public safety and education account
19 appropriation is provided solely for the office of public defense's
20 costs in implementing chapter 303, Laws of 1999 (court funding).

21 (2) Amounts provided from the public safety and education account
22 appropriation in this section include funding for investigative
23 services in death penalty personal restraint petitions.

24 **Sec. 111.** 2003 1st sp.s. c 25 s 115 (uncodified) is amended to
25 read as follows:

26 **FOR THE OFFICE OF THE GOVERNOR**

27	General Fund--State Appropriation (FY 2004)	\$3,773,000
28	General Fund--State Appropriation (FY 2005)	(\$3,776,000)
29		<u>\$4,111,000</u>
30	General Fund--Federal Appropriation	\$1,140,000
31	Water Quality Account--State	
32	Appropriation	\$3,854,000
33	TOTAL APPROPRIATION	(\$12,543,000)
34		<u>\$12,878,000</u>

35 The appropriations in this section are subject to the following
36 conditions and limitations:

1 (1) \$3,854,000 of the water quality account appropriation and
2 \$1,140,000 of the general fund--federal appropriation are provided
3 solely for the Puget Sound water quality action team to implement the
4 Puget Sound work plan and agency action items PSAT-01 through PSAT-05.

5 (2) \$100,000 of the general fund--state appropriation for fiscal
6 year 2005 is provided solely for the development of kindergarten
7 readiness guidelines, in collaboration with the office of the
8 superintendent of public instruction.

9 **Sec. 112.** 2003 1st sp.s. c 25 s 118 (uncodified) is amended to
10 read as follows:

11 **FOR THE SECRETARY OF STATE**

12	General Fund--State Appropriation (FY 2004)	((\$24,336,000))
13		<u>\$18,298,000</u>
14	General Fund--State Appropriation (FY 2005)	((\$17,092,000))
15		<u>\$17,672,000</u>
16	General Fund--Federal Appropriation	\$6,967,000
17	Archives and Records Management Account--State	
18	Appropriation	((\$8,150,000))
19		<u>\$8,414,000</u>
20	Department of Personnel Service Account--State	
21	Appropriation	\$699,000
22	<u>Election Account--State Appropriation</u>	<u>\$3,140,000</u>
23	Election Account--Federal Appropriation	((\$13,121,000))
24		<u>\$33,121,000</u>
25	Local Government Archives Account--State Appropriation ((\$7,067,000))	
26		<u>\$9,010,000</u>
27	TOTAL APPROPRIATION	((\$77,432,000))
28		<u>\$97,321,000</u>

29 The appropriations in this section are subject to the following
30 conditions and limitations:

31 (1) \$2,296,000 of the general fund--state appropriation for fiscal
32 year 2004 is provided solely to reimburse counties for the state's
33 share of primary and general election costs and the costs of conducting
34 mandatory recounts on state measures. Counties shall be reimbursed
35 only for those odd-year election costs that the secretary of state
36 validates as eligible for reimbursement.

1 (2) \$1,826,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$2,686,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for the verification of initiative
4 and referendum petitions, maintenance of related voter registration
5 records, and the publication and distribution of the voters and
6 candidates pamphlet.

7 (3) \$125,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$118,000 of the general fund--state appropriation for
9 fiscal year 2005 are provided solely for legal advertising of state
10 measures under RCW 29.27.072.

11 (4)(a) \$1,944,004 of the general fund--state appropriation for
12 fiscal year 2004 and \$1,986,772 of the general fund--state
13 appropriation for fiscal year 2005 are provided solely for contracting
14 with a nonprofit organization to produce gavel-to-gavel television
15 coverage of state government deliberations and other events of
16 statewide significance during the 2003-05 biennium. The funding level
17 for each year of the contract shall be based on the amount provided in
18 this subsection. The nonprofit organization shall be required to raise
19 contributions or commitments to make contributions, in cash or in kind,
20 in an amount equal to forty percent of the state contribution. The
21 office of the secretary of state may make full or partial payment once
22 all criteria in (a) and (b) of this subsection have been satisfactorily
23 documented.

24 (b) The legislature finds that the commitment of on-going funding
25 is necessary to ensure continuous, autonomous, and independent coverage
26 of public affairs. For that purpose, the secretary of state shall
27 enter into a four-year contract with the nonprofit organization to
28 provide public affairs coverage through June 30, 2006.

29 (c) The nonprofit organization shall prepare an annual independent
30 audit, an annual financial statement, and an annual report, including
31 benchmarks that measure the success of the nonprofit organization in
32 meeting the intent of the program.

33 (d) No portion of any amounts disbursed pursuant to this subsection
34 may be used, directly or indirectly, for any of the following purposes:

35 (i) Attempting to influence the passage or defeat of any
36 legislation by the legislature of the state of Washington, by any
37 county, city, town, or other political subdivision of the state of

1 Washington, or by the congress, or the adoption or rejection of any
2 rule, standard, rate, or other legislative enactment of any state
3 agency;

4 (ii) Making contributions reportable under chapter 42.17 RCW; or
5 (iii) Providing any: (A) Gift; (B) honoraria; or (C) travel,
6 lodging, meals, or entertainment to a public officer or employee.

7 (5) (~~(\$6,038,000 of the general fund state appropriation for~~
8 ~~fiscal year 2004 is provided solely to reimburse the counties for the~~
9 ~~state's share of the cost of conducting the presidential primary.))~~
10 \$252,000 of the archives and records management account--state
11 appropriation and \$1,504,000 of the local government archives account--
12 state appropriation are provided solely for additional facility capital
13 costs, digital archives technology architecture costs, and additional
14 digital archives staff and operational costs associated with the new
15 eastern regional archives and digital archives facility.

16 (6) The entire election account--state appropriation in this
17 section is provided solely as state match funding for federal moneys
18 provided under the Help America Vote act (P.L. 107-252). Of the state
19 match funding provided, the secretary of state may expend only the
20 amount required to match the federal funding received, and any amount
21 that is not necessary to match the federal funding shall lapse. After
22 receipt of the federal moneys, the office of the secretary of state
23 shall notify the appropriations committee of the house of
24 representatives and the ways and means committee of the senate of the
25 amount of federal funding received and the associated required state
26 match.

27 (7) \$580,000 of the general fund--state appropriation for fiscal
28 year 2005 is provided solely to conduct voter outreach and education
29 and to train local elections officials pursuant to new state primary
30 election laws. If no new state primary election laws are enacted by
31 June 30, 2004, the amount provided in this subsection shall lapse.

32 **Sec. 113.** 2003 1st sp.s. c 25 s 121 (uncodified) is amended to
33 read as follows:

34 **FOR THE STATE TREASURER**

35 State Treasurer's Service Account--State

36 Appropriation ((\$13,149,000))

37 \$13,463,000

1 (2) Prior to entering into any negotiated settlement of a claim
2 against the state that exceeds five million dollars, the attorney
3 general shall notify the director of financial management and the
4 chairs of the senate committee on ways and means and the house of
5 representatives committee on appropriations.

6 (3) \$137,000 of the legal services revolving account--state
7 appropriation is provided solely to implement Substitute House Bill No.
8 2396 (instream flows). If the bill is not enacted by June 30, 2004,
9 the amount provided in this subsection shall lapse.

10 (4) \$70,000 of the legal services revolving account--state
11 appropriation is provided solely to implement Engrossed Second
12 Substitute House Bill No. 3026 (correctional industries). If the bill
13 is not enacted by June 30, 2004, the amount provided in this subsection
14 shall lapse.

15 (5) \$88,000 of the general fund--state appropriation for fiscal
16 year 2005 is provided solely to implement Engrossed House Bill No. 2839
17 (health care provider/actions). If the bill is not enacted by June 30,
18 2004, the amount provided in this subsection shall lapse.

19 **Sec. 116.** 2003 1st sp.s. c 25 s 125 (uncodified) is amended to
20 read as follows:

21 **FOR THE CASELOAD FORECAST COUNCIL**

22	General Fund--State Appropriation (FY 2004)	((\$638,000))
23		<u>\$669,000</u>
24	General Fund--State Appropriation (FY 2005)	((\$639,000))
25		<u>\$671,000</u>
26	TOTAL APPROPRIATION	((\$1,277,000))
27		<u>\$1,340,000</u>

28 **Sec. 117.** 2003 1st sp.s. c 25 s 126 (uncodified) is amended to
29 read as follows:

30 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT**

31	General Fund--State Appropriation (FY 2004)	((\$61,459,000))
32		<u>\$61,983,000</u>
33	General Fund--State Appropriation (FY 2005)	((\$60,801,000))
34		<u>\$67,286,000</u>
35	General Fund--Federal Appropriation	((\$213,287,000))
36		<u>\$236,264,000</u>

1	General Fund--Private/Local Appropriation	((\$10,574,000))
2		<u>\$15,075,000</u>
3	Public Safety and Education Account--State	
4	Appropriation	\$10,095,000
5	Public Works Assistance Account--State	
6	Appropriation	((\$1,913,000))
7		<u>\$2,113,000</u>
8	Building Code Council Account--State	
9	Appropriation	\$1,061,000
10	Administrative Contingency Account--State	
11	Appropriation	\$1,776,000
12	Low-Income Weatherization Assistance Account--State	
13	Appropriation	((\$3,293,000))
14		<u>\$8,293,000</u>
15	Violence Reduction and Drug Enforcement Account--	
16	State Appropriation	\$9,013,000
17	Manufactured Home Installation Training Account--	
18	State Appropriation	\$256,000
19	Community Economic Development Account--	
20	State Appropriation	((\$1,909,000))
21		<u>\$1,581,000</u>
22	Washington Housing Trust Account--State	
23	Appropriation	\$16,740,000
24	Public Facility Construction Loan Revolving	
25	Account--State Appropriation	\$622,000
26	Lead Paint Account--State Appropriation	\$6,000
27	<u>Developmental Disabilities Endowment Trust Fund--State</u>	
28	<u>Appropriation</u>	<u>\$120,000</u>
29	<u>Homeless Families Services Fund--State Appropriation</u>	<u>\$150,000</u>
30	TOTAL APPROPRIATION	((\$392,805,000))
31		<u>\$432,434,000</u>

32 The appropriations in this section are subject to the following
33 conditions and limitations:

34 (1) \$2,838,000 of the general fund--state appropriation for fiscal
35 year 2004 and \$2,838,000 of the general fund--state appropriation for
36 fiscal year 2005 are provided solely for a contract with the Washington
37 technology center. For work essential to the mission of the Washington
38 technology center and conducted in partnership with universities, the

1 center shall not pay any increased indirect rate nor increases in other
2 indirect charges above the absolute amount paid during the 1995-97
3 fiscal biennium.

4 (2) \$61,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$62,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for the implementation of the
7 Puget Sound work plan and agency action item OCD-01.

8 (3) \$10,180,797 of the general fund--federal appropriation is
9 provided solely for the drug control and system improvement formula
10 grant program, to be distributed in state fiscal year 2004 as follows:

11 (a) \$3,551,972 to local units of government to continue
12 multijurisdictional narcotics task forces;

13 (b) \$611,177 to the department to continue the drug prosecution
14 assistance program in support of multijurisdictional narcotics task
15 forces;

16 (c) \$1,343,603 to the Washington state patrol for coordination,
17 investigative, and supervisory support to the multijurisdictional
18 narcotics task forces and for methamphetamine education and response;

19 (d) \$197,154 to the department for grants to support tribal law
20 enforcement needs;

21 (e) \$976,897 to the department of social and health services,
22 division of alcohol and substance abuse, for drug courts in eastern and
23 western Washington;

24 (f) \$298,246 to the department for training and technical
25 assistance of public defenders representing clients with special needs;

26 (g) \$687,155 to the department to continue domestic violence legal
27 advocacy;

28 (h) \$890,150 to the department of social and health services,
29 juvenile rehabilitation administration, to continue youth violence
30 prevention and intervention projects;

31 (i) \$60,000 to the department for community-based advocacy services
32 to victims of violent crime, other than sexual assault and domestic
33 violence;

34 (j) \$89,705 to the department to continue the governor's council on
35 substance abuse;

36 (k) \$97,591 to the department to continue evaluation of Byrne
37 formula grant programs;

1 (1) \$572,919 to the office of financial management for criminal
2 history records improvement; and

3 (m) \$804,228 to the department for required grant administration,
4 monitoring, and reporting on Byrne formula grant programs.

5 These amounts represent the maximum Byrne grant expenditure
6 authority for each program. No program may expend Byrne grant funds in
7 excess of the amounts provided in this subsection. If moneys in excess
8 of those appropriated in this subsection become available, whether from
9 prior or current fiscal year Byrne grant distributions, the department
10 shall hold these moneys in reserve and may not expend them without
11 specific appropriation. These moneys shall be carried forward and
12 applied to the pool of moneys available for appropriation for programs
13 and projects in the succeeding fiscal year. As part of its budget
14 request for the succeeding year, the department shall estimate and
15 request authority to spend any funds remaining in reserve as a result
16 of this subsection.

17 (4) \$125,000 of the general fund--state appropriation for fiscal
18 year 2004 and \$125,000 of the general fund--state appropriation for
19 fiscal year 2005 are provided solely for implementing the industries of
20 the future strategy.

21 (5) \$200,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$200,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely for a contract with the Washington
24 manufacturing services.

25 (6) \$205,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$205,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for grants to Washington Columbia
28 River Gorge counties to implement their responsibilities under the
29 national scenic area management plan. Of this amount, \$390,000 is
30 provided for Skamania county and \$20,000 is provided for Clark county.

31 (7) \$50,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$50,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely for a contract with international
34 trade alliance of Spokane.

35 (8) \$5,085,000 of the general fund--state appropriation for fiscal
36 year 2004, \$5,085,000 of the general fund--state appropriation for
37 fiscal year 2005, \$4,250,000 of the general fund--federal
38 appropriation, and \$6,145,000 of the Washington housing trust account

1 are provided solely for providing housing and shelter for homeless
2 people, including but not limited to grants to operate, repair, and
3 staff shelters; grants to operate transitional housing; partial
4 payments for rental assistance; consolidated emergency assistance;
5 overnight youth shelters; and emergency shelter assistance.

6 (9) (~~(\$697,000)~~) \$369,000 of the community economic development
7 account appropriation (~~(is)~~) and \$120,000 of the developmental
8 disabilities endowment trust fund appropriation are provided solely for
9 support of the developmental disabilities endowment governing board and
10 costs of the endowment program. The governing board may use
11 appropriations to implement a sliding-scale fee waiver for families
12 earning below 150 percent of the state median family income.

13 (10) \$800,000 of the general fund--federal appropriation and \$6,000
14 of the lead paint account--state appropriation are provided solely to
15 implement Engrossed Substitute Senate Bill No. 5586 (lead-based paint).
16 If the bill is not enacted by June 30, 2003, the amounts provided in
17 this subsection shall lapse.

18 (11) \$300,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$300,000 of the general fund--state appropriation for
20 fiscal year 2005 are provided solely for the business retention and
21 expansion program to fund contracts with locally based development
22 organizations for local business and job retention activities.

23 (12) \$200,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$200,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for the tourism office to market
26 Washington state as a travel destination to northwest states,
27 California, and British Columbia. By December 1, 2004, the department
28 shall report to the relevant legislative policy and fiscal committees
29 on the effectiveness of these expenditures.

30 (13) \$200,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$200,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for business development
33 activities to conduct statewide and/or regional business recruitment
34 and client lead generation services.

35 (14) \$60,000 of the general fund--state appropriation for fiscal
36 year 2004 and (~~(\$60,000)~~) \$180,000 of the general fund--state
37 appropriation for fiscal year 2005 are provided solely for the

1 community services block grant program for pass-through to community
2 action agencies.

3 (15) \$26,862,000 of the general fund--state appropriation for
4 fiscal year 2004 and \$26,862,000 of the general fund--state
5 appropriation for fiscal year 2005 are provided solely for providing
6 early childhood education assistance.

7 (16) Within the amounts appropriated in this section, funding is
8 provided for Washington state dues for the Pacific northwest economic
9 region.

10 (17) \$200,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$200,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided solely for the foreign offices (overseas
13 representatives) to expand local capacity for China, expand operations
14 in Shanghai, Beijing and Hong Kong, and in Mexico to assist Washington
15 exporters in expanding their sales opportunities.

16 (18) \$600,000 of the public safety and education account
17 appropriation is provided solely for sexual assault prevention and
18 treatment programs.

19 (19) \$65,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$65,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for a contract with a food
22 distribution program for communities in the southwestern portion of the
23 state and for workers impacted by timber and salmon fishing closures
24 and reductions. The department may not charge administrative overhead
25 or expenses to the funds provided in this subsection.

26 (20) Repayments of outstanding loans granted under RCW 43.63A.600,
27 the mortgage and rental assistance program, shall be remitted to the
28 department, including any current revolving account balances. The
29 department shall contract with a lender or contract collection agent to
30 act as a collection agent of the state. The lender or contract
31 collection agent shall collect payments on outstanding loans, and
32 deposit them into an interest-bearing account. The funds collected
33 shall be remitted to the department quarterly. Interest earned in the
34 account may be retained by the lender or contract collection agent, and
35 shall be considered a fee for processing payments on behalf of the
36 state. Repayments of loans granted under this chapter shall be made to
37 the lender or contract collection agent as long as the loan is
38 outstanding, notwithstanding the repeal of the chapter.

1 (21) Within amounts provided in this section, sufficient funding is
2 provided to implement Engrossed House Bill No. 1090 (trafficking of
3 persons).

4 (22) \$80,000 of the general fund--state appropriation for fiscal
5 year 2005 is provided solely to develop a state plan to address how the
6 state can improve coordination between state and local partners to
7 substantially reduce the incidence of homelessness.

8 (23) \$75,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$425,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for the purpose of supporting the
11 base realignment and closure process. The department shall develop and
12 implement criteria and procedures, including the types of activities
13 that may be funded by the grants and requirements for local matching
14 funds, for the issuance of grants to one organization within each of
15 the following counties: Island, Kitsap, Pierce, Snohomish, and Spokane.
16 The department shall use a portion of the funding provided to support
17 the related activities of state agencies as identified by the office of
18 the governor.

19 (24) \$421,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$193,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely to coordinate the state's efforts
22 in siting the 7E7 final assembly plant.

23 (25) \$10,208,818 of the general fund--federal appropriation is
24 provided solely for the drug control and system improvement formula
25 grant program, to be distributed in state fiscal year 2005 as follows:

26 (a) \$3,533,522 to local units of government to continue
27 multijurisdictional narcotics task forces;

28 (b) \$608,002 to the department to continue the drug prosecution
29 assistance program in support of multijurisdictional narcotics task
30 forces;

31 (c) \$1,336,624 to the Washington state patrol for coordination,
32 investigative, and supervisory support to the multijurisdictional
33 narcotics task forces and for methamphetamine education and response;

34 (d) \$196,130 to the department for grants to support tribal law
35 enforcement needs;

36 (e) \$971,823 to the department of social and health services,
37 division of alcohol and substance abuse, for drug courts in eastern and
38 western Washington;

1 (f) \$296,697 to the department for training and technical
2 assistance of public defenders representing clients with special needs;

3 (g) \$683,586 to the department to continue domestic violence legal
4 advocacy;

5 (h) \$885,526 to the department of social and health services,
6 juvenile rehabilitation administration, to continue youth violence
7 prevention and intervention projects;

8 (i) \$59,688 to the department for community-based advocacy services
9 to victims of violent crime, other than sexual assault and domestic
10 violence;

11 (j) \$89,239 to the department to continue the governor's council on
12 substance abuse;

13 (k) \$97,084 to the department to continue evaluation of Byrne
14 formula grant programs;

15 (l) \$650,846 to the office of financial management for criminal
16 history records improvement; and

17 (m) \$800,051 to the department for required grant administration,
18 monitoring, and reporting on Byrne formula grant programs.

19 These amounts represent the maximum Byrne grant expenditure
20 authority for each program. No program may expend Byrne grant funds in
21 excess of the amounts provided in this subsection. If moneys in excess
22 of those appropriated in this subsection become available, whether from
23 prior or current fiscal year Byrne grant distributions, the department
24 shall hold those moneys in reserve and may not expend them without
25 specific appropriation. These moneys shall be carried forward and
26 applied to the pool of moneys available for appropriation for programs
27 and projects in the succeeding fiscal year. As part of its budget
28 request for the succeeding year, the department shall estimate and
29 request authority to spend any funds remaining in reserve as a result
30 of this subsection.

31 (26) \$2,000,000 of the general fund--state appropriation for fiscal
32 year 2005 is provided solely for increased civil legal services for the
33 indigent.

34 (27) \$300,000 of the general fund--state appropriation for fiscal
35 year 2005 is provided solely to implement Substitute House Bill No.
36 3084 (national guard). If this bill is not enacted by June 30, 2004,
37 the amount provided in this subsection shall lapse.

1 (28) \$125,000 of the general fund--state appropriation for fiscal
2 year 2005 is provided solely for the department to:

3 (a) Conduct a survey of small and medium-sized manufacturers
4 focused on the region of the state with the heaviest concentration of
5 these types of manufacturers to:

6 (i) Identify common technical assistance and employee training
7 needs; and

8 (ii) Identify acceptable means of delivering technical assistance
9 and training to small and medium-sized manufacturers; and

10 (b) Develop a plan for delivering technical assistance and employee
11 training services consistent with the findings of the survey.

12 The recipient of the contract funds may subcontract for the
13 performance of the required work. The contract dollars may serve as
14 matching funds for federal economic development grants.

15 (29) \$150,000 of the general fund--state appropriation for fiscal
16 year 2005 is provided solely for deposit in the small business
17 incubator account to implement the small business incubator provisions
18 of Engrossed Substitute House Bill No. 2784 (small business incubator
19 program). If this bill is not enacted by June 30, 2004, the amount
20 provided in this subsection shall lapse.

21 (30) \$60,000 of the general fund--state appropriation for fiscal
22 year 2005 is provided solely for a study under (a) through (i) of this
23 subsection. Expenditure of this amount is contingent upon a \$60,000
24 match from a county with a population exceeding one million. The
25 department shall conduct a study to:

26 (a) Detail the progress in each of the buildable land counties to
27 date in achieving annexation or incorporation of its urban growth area
28 since adoption of the county's county-wide planning policies to the
29 present time by documenting:

30 (i) The number of acres annexed;

31 (ii) The number of acres incorporated;

32 (iii) The number of residents annexed, incorporated, and remaining
33 in urban unincorporated areas; and

34 (iv) The characteristic of urban land remaining unincorporated in
35 terms of assessed value, infrastructure deficits, service needs, land
36 use, commercial development, and residential development;

37 (b) Determine the characteristics of remaining urban unincorporated

1 areas and current statutes, and estimate when all urban unincorporated
2 areas in each county will be annexed or incorporated, based on the rate
3 of progress to date;

4 (c) Survey the counties to identify those obstacles which, in their
5 experience, slow or prohibit annexation;

6 (d) Survey the cities in each of the subject counties to identify
7 obstacles, which in their experience, slow or prohibit annexation;

8 (e) Survey residents of urban unincorporated areas in each of the
9 subject counties to identify their attitudes towards annexation or
10 incorporation;

11 (f) Propose possible changes to city and county taxing authority
12 which will serve to aid the transfer of annexation of remaining urban
13 growth areas in a timely manner;

14 (g) Identify and discuss the need for funding of capital
15 improvement projects needed to provide urban levels of service;

16 (h) Assess the role and statutory authority of the boundary review
17 board and how altering their role and authority might facilitate
18 annexation; and

19 (i) Propose possible changes to growth management or annexation
20 processes which will facilitate annexation.

21 The department shall report to the local government committees of
22 the legislature no later than December 1, 2004.

23 If a county does not wish to participate in this study, the county
24 administrative officer shall submit those intentions, in writing, to
25 the department no later than July 1, 2004.

26 (31) \$25,000 of the general fund--state appropriation for fiscal
27 year 2004 and \$25,000 of the general fund--state appropriation for
28 fiscal year 2005 are provided solely for the department to conduct a
29 study, with input from an advisory committee, on the feasibility and
30 benefits of establishing a one-stop satellite office colocating the
31 employment security department and the department of social and health
32 services on community college campuses. Essential elements of the
33 study include a strategic evaluation of services to be colocated, the
34 appropriate location on campuses, and how to better integrate
35 employment security department and department of social and health
36 services programs with basic skills, workforce, and academic programs
37 of community and technical colleges to provide more opportunities for
38 skill improvements and employability. The advisory committee shall

1 include representation of the state board for community and technical
2 colleges, the employment security department, and the department of
3 social and health services. The department shall provide its findings
4 and recommendations to the governor and appropriate committees of the
5 legislature by December 20, 2004.

6 (32) \$3,000,000 of the general fund--state appropriation for fiscal
7 year 2005 is provided solely for deposit in the homeless families
8 services fund to implement Second Substitute House Bill No. 2818
9 (homeless families services). If the bill is not enacted by June 30,
10 2004, the amount provided in this subsection shall lapse.

11 (33) The entire homeless families services fund--state
12 appropriation is provided solely to implement the administrative
13 functions of Second Substitute House Bill No. 2818 (homeless families
14 services). It is the intent of the legislature that beginning with the
15 2005-07 biennium, the department choose a qualified contractor to
16 administer the homeless families services fund program. If the bill is
17 not enacted by June 30, 2004, the amount provided in this subsection
18 shall lapse.

19 (34) \$3,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$7,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely to initiate a discussion of a
22 proposal for a regional energy transmission corridor siting process
23 compatible with rules established under the federal energy regulatory
24 commission. The energy facility site evaluation council shall initiate
25 contact with the states of Oregon, Idaho, and Montana. Discussions
26 shall be held in conjunction with meetings of the Pacific Northwest
27 economic region. In developing this proposal, the council shall also
28 consult with regional organizations involved in energy issues,
29 appropriate federal and state agencies, and interested parties involved
30 in the development of a regional transmission organization. The
31 council must report on the progress made toward developing a draft
32 proposal by December 1, 2004, to the appropriate committees of the
33 legislature.

34 **Sec. 118.** 2003 1st sp.s. c 25 s 128 (uncodified) is amended to
35 read as follows:

36 **FOR THE OFFICE OF FINANCIAL MANAGEMENT**

37 General Fund--State Appropriation (FY 2004) ((\$12,662,000))

1		\$12,655,000
2	General Fund--State Appropriation (FY 2005)	((\$12,383,000))
3		\$13,666,000
4	General Fund--Federal Appropriation	((\$23,500,000))
5		\$23,924,000
6	Violence Reduction and Drug Enforcement	
7	Account--State Appropriation	\$242,000
8	State Auditing Services Revolving	
9	Account--State Appropriation	\$25,000
10	TOTAL APPROPRIATION	((\$48,812,000))
11		\$50,512,000

12 The appropriations in this section are subject to the following
13 conditions and limitations:

14 (1) \$127,000 of the general fund--state appropriation for fiscal
15 year 2004 and \$122,000 of the general fund--state appropriation for
16 fiscal year 2005 are provided solely to implement Second Substitute
17 Senate Bill No. 5694 (integrated permit system). If the bill is not
18 enacted by June 30, 2003, the amounts provided in this subsection shall
19 lapse.

20 (2) By November 15, 2003, the office of financial management shall
21 report to the house of representatives committees on appropriations,
22 capital budget, and transportation and to the senate committees on ways
23 and means and highways and transportation on the ten general priorities
24 of government upon which the 2005-07 biennial budgets will be
25 structured. Each priority must include a proposed set of cross agency
26 activities with definitions and outcome measures. For historical
27 comparisons, the 2001-03 expenditures and 2003-05 appropriations must
28 be restated in this format and organized by priority, activity, fund
29 source, and agency.

30 (3) \$38,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$400,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely to implement Engrossed Substitute
33 House Bill No. 2955 (K-12 finance task force). If this bill is not
34 enacted by June 30, 2004, the amounts provided in this subsection shall
35 lapse.

36 (4) \$150,000 of the general fund--state appropriation for fiscal
37 year 2005 is provided solely to implement Engrossed Substitute House

1 Bill No. 3080 (state budgeting). If this bill is not enacted by June
2 30, 2004, the amount provided in this subsection shall lapse.

3 (5) \$98,000 of the general fund--state appropriation for fiscal
4 year 2005 is provided solely to implement Third Engrossed Substitute
5 House Bill No. 1053 (government accountability). If this bill is not
6 enacted by June 30, 2004, the amount provided in this subsection shall
7 lapse.

8 (6) \$250,000 of the general fund--state appropriation for fiscal
9 year 2005 is provided solely for the development of a set of
10 sustainability indicators for the state.

11 (7)(a) \$75,000 of the general fund--state appropriation for fiscal
12 year 2005 is provided solely for a task force on noneconomic damages.
13 On or before October 31, 2005, the task force shall prepare a study and
14 develop, for consideration by the legislature, a proposed plan for
15 implementation of an advisory schedule of noneconomic damages in
16 actions for injuries resulting from health care under chapter 7.70 RCW.
17 Implementation of any proposed plan is contingent upon statutory
18 authorization by the legislature.

19 (b) The task force shall develop a proposed plan for use of an
20 advisory schedule of noneconomic damages, as defined in RCW 4.56.250,
21 that will increase the predictability and proportionality of
22 settlements and awards for noneconomic damages in actions for injuries
23 resulting from health care. The task force shall consider:

24 (i) The information that can most appropriately be used to provide
25 guidance to the trier of fact regarding noneconomic damage awards,
26 giving consideration to past noneconomic damage awards for similar
27 injuries, considering severity and duration of the injuries, and other
28 factors deemed appropriate by the task force; past noneconomic damage
29 awards for similar claims for damages; and such other information the
30 task force finds appropriate;

31 (ii) The most appropriate format in which to present the
32 information to the trier of fact; and

33 (iii) When and under what circumstances an advisory schedule should
34 be utilized in alternative dispute resolution settings and presented to
35 the trier of fact at trial.

36 (c) A proposed implementation plan shall include, at a minimum:

37 (i) The information developed under subsection (b) of this section;

1 (ii) Identification of statutory, regulatory, or court rule changes
2 necessary to implement the advisory schedule, as well as forms or other
3 documents necessary to implement the schedule; and

4 (iii) Identification of the time required to implement an advisory
5 schedule authorized by the legislature.

6 (d) The task force is composed of fourteen members, as follows:

7 (i) One member from each of the two largest caucuses in the senate, to
8 be appointed by the president of the senate, and one member from each
9 of the two largest caucuses in the house of representatives, to be
10 appointed by the speaker of the house of representatives; (ii) one
11 health care ethicist; (iii) one economist; (iv) one actuary; (v) two
12 attorneys with expertise or significant experience in medical
13 malpractice actions, one representing the plaintiff's bar and one
14 representing the insurance defense bar; (vi) two superior court judges;
15 (vii) one representative of a hospital; (viii) one physician; (ix) one
16 representative of a medical malpractice insurer; and (x) two consumers.
17 The governor shall appoint the nonlegislative members of the task force
18 and select a chair.

19 (e) Legislative members of the task force shall be reimbursed for
20 travel expenses under RCW 44.04.120. Nonlegislative members of the
21 task force shall be reimbursed for travel expenses as provided in RCW
22 43.03.050 and 43.03.060.

23 (f) The office of financial management shall provide support to the
24 task force with the assistance of staff from the administrative office
25 of the courts, the house of representatives office of program research,
26 and senate committee services.

27 (8) \$250,000 of the general fund--state appropriation for fiscal
28 year 2005 is provided solely for the office to study land use and local
29 government finance and make recommendations on the impact that current
30 trends in city and county revenue sources and expenditures may have on
31 land use decisions made by counties and cities and meeting goals of the
32 growth management act. Among the areas to be studied: Local
33 government revenue sources and expenditures over the past decade; the
34 relationship between local government finances and land use decisions
35 including commercial, residential, and industrial development;
36 cooperation or competition of adjoining jurisdictions over land use and
37 annexation; the relationship new development has to existing commercial
38 and residential areas and its affect on a community's infrastructure

1 and quality of life. The study shall include recommendations for state
2 and local government fiscal partnerships that encourage cooperation
3 among jurisdictions to meet the goals of the growth management act, and
4 how the state and local government fiscal structure can better meet the
5 responsibilities of providing services to citizens and meeting the
6 goals of the growth management act.

7 (9) By December 1, 2004, the office of financial management shall
8 report to the house of representatives committees on commerce and
9 labor, state government, and trade and economic development and the
10 senate committees on commerce and trade, economic development,
11 government operations and elections, or their successor committees, on
12 its review of the following:

13 (a) Personal services and purchased services contracts, and any
14 subcontracts awarded under such contracts, performed at locations
15 outside the United States;

16 (b) The applicability of international trade agreements to state
17 procurement policies; the compliance of signatories to such agreements
18 with international and state child labor, environmental protection,
19 human rights, and labor standards; and the effects of such agreements
20 on domestic preferences adopted by signatories to such agreements;

21 (c) The economic benefit of awarding personal services and
22 purchased services contracts to Washington companies. The economic
23 benefit shall be measured as follows:

24 (i) The number of total employment positions;

25 (ii) Full-time, part-time, and temporary employment positions as a
26 percent of total employment;

27 (iii) The number of employment positions according to the following
28 wage bands: Less than thirty thousand dollars; thirty thousand dollars
29 or greater, but less than sixty thousand dollars; and sixty thousand
30 dollars or greater. A wage band containing fewer than three
31 individuals may be combined with another wage band; and

32 (iv) The number of employment positions that have employer-provided
33 medical, dental, and retirement benefits, by each of the wage bands;

34 (d) The cost to the state of retraining workers who are separated
35 from employment because their positions were outsourced to locations
36 outside the United States, and issues relative to their eligibility for
37 training benefits under RCW 50.22.150;

1 (e) The extent to which state contracts performed at locations
2 outside the U.S. involve solicitation or disclosure of personal
3 information; and

4 (f) The relationship between state labor market conditions,
5 including unemployment rate, and outsourcing decisions.

6 **Sec. 119.** 2003 1st sp.s. c 25 s 129 (uncodified) is amended to
7 read as follows:

8 **FOR THE OFFICE OF ADMINISTRATIVE HEARINGS**

9 Administrative Hearings Revolving Account--State

10 Appropriation (~~(\$24,619,000)~~)
11 \$26,983,000

12 **Sec. 120.** 2003 1st sp.s. c 25 s 130 (uncodified) is amended to
13 read as follows:

14 **FOR THE DEPARTMENT OF PERSONNEL**

15 Department of Personnel Service Account--State

16 Appropriation \$16,247,000

17 Higher Education Personnel Services Account--State

18 Appropriation \$1,612,000

19 TOTAL APPROPRIATION \$17,859,000

20 The appropriations in this section are subject to the following
21 conditions and limitations:

22 (1) The department is authorized to enter into a financing contract
23 for up to (~~(\$32,095,000)~~) \$38,911,000, plus necessary financing
24 expenses and required reserves, pursuant to chapter 39.94 RCW. The
25 contract shall be to purchase, develop, and implement a new statewide
26 payroll system and shall be for a term of not more than twelve years.
27 The legislature recognizes the critical nature of the human resource
28 management system and its relationship to successful implementation of
29 civil service reform, collective bargaining, and the ability to permit
30 contracting out of services to the private sector. Projects of this
31 size and complexity have many risks associated with their successful
32 and timely completion, therefore, to help ensure project success, the
33 department of personnel and the office of financial management shall
34 jointly report to the legislature by January 15, 2004, on progress
35 toward implementing the human resource management system. The report
36 shall include a description of mitigation strategies employed to

1 address the risks related to: Business requirements not fully defined
2 at the project outset; short time frame for system implementation; and
3 delays experienced by other states. The report shall assess the
4 probability of meeting the system implementation schedule and recommend
5 contingency strategies as needed. The report shall establish the
6 timelines, the critical path, and the dependencies for realizing each
7 of the benefits articulated in the system feasibility study.

8 (2) The department shall coordinate with the governor's office of
9 Indian affairs on providing one-day government to government training
10 sessions for federal, state, local, and tribal government employees.
11 The training sessions must cover tribal historical perspectives, legal
12 issues, tribal sovereignty, and tribal governments. Costs of the
13 training sessions shall be recouped through a fee charged to the
14 participants of each session.

15 **Sec. 121.** 2003 1st sp.s. c 25 s 135 (uncodified) is amended to
16 read as follows:

17 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--OPERATIONS**

18 Dependent Care Administrative Account--State

19	Appropriation	\$384,000
20	Department of Retirement Systems Expense Account--	
21	State Appropriation	((\$44,485,000))
22		<u>\$45,216,000</u>
23	TOTAL APPROPRIATION	((\$44,869,000))
24		<u>\$45,600,000</u>

25 The appropriations in this section are subject to the following
26 conditions and limitations:

27 (1) \$31,000 of the retirement systems expense account appropriation
28 is provided solely to implement House Bill No. 1519, chapter 155, Laws
29 of 2003 (unreduced duty death survivor benefits).

30 (2) \$1,678,000 of the retirement systems expense account
31 appropriation is provided solely to implement House Bill No. 2197,
32 chapter 92, Laws of 2003 (law enforcement officers' and fire fighters'
33 plan 2 board implementation).

34 (3) \$2,083,000 of the retirement systems expense account
35 appropriation is provided solely for the support of the information
36 systems project known as the electronic document image management
37 system.

1 (4) \$124,000 of the department of retirement systems expense
2 account--state appropriation is provided solely to implement Senate
3 Bill No. 5094, chapter 157, Laws of 2003 (substitute employees'
4 retirement credit).

5 (5) \$77,000 of the department of retirement systems expense
6 account--state appropriation is provided solely to implement Senate
7 Bill No. 5100, chapter 32, Laws of 2003 (fallen hero survivor
8 benefits).

9 (6) \$21,000 of the department of retirement systems expense
10 account--state appropriation is provided solely to implement House Bill
11 No. 1206, chapter 156, Laws of 2003 (plan 3 contributions).

12 (7) \$30,000 of the department of retirement systems expense
13 account--state appropriation is provided solely to implement House Bill
14 No. 1207, chapter 402, Laws of 2003 (employee death benefits).

15 (8) \$324,000 of the department of retirement systems expense
16 account--state appropriation is provided solely to implement Substitute
17 House Bill No. 1829, chapter 412, Laws of 2003 (retire-rehire reform).

18 (9) \$125,000 of the department of retirement systems expense
19 account--state appropriation is provided solely to implement Substitute
20 House Bill No. 1202, chapter 293, Laws of 2003 (emergency medical
21 technicians' retirement).

22 (10) \$188,000 of the department of retirement systems expense
23 account--state appropriation is provided solely to implement House Bill
24 No. 2418 (minimum disability benefits).

25 (11) \$7,000 of the department of retirement systems expense
26 account--state appropriation is provided solely to implement House Bill
27 No. 2419 (unreduced line-duty death benefits).

28 (12) \$5,000 of the department of retirement systems expense
29 account--state appropriation is provided solely to implement House Bill
30 No. 2534 (state patrol line-duty death benefits).

31 (13) \$128,000 of the department of retirement systems expense
32 account--state appropriation is provided solely to implement House Bill
33 No. 2538 (\$1000 minimum benefit).

34 (14) \$403,000 of the department of retirement systems expense
35 account--state appropriation is provided solely to implement House Bill
36 No. 2537 (public safety employees' retirement system).

1 **Sec. 122.** 2003 1st sp.s. c 25 s 137 (uncodified) is amended to
2 read as follows:

3 **FOR THE DEPARTMENT OF REVENUE**

4	General Fund--State Appropriation (FY 2004)	\$82,644,000
5	General Fund--State Appropriation (FY 2005)	(\$81,916,000)
6		<u>\$82,241,000</u>
7	Timber Tax Distribution Account--State	
8	Appropriation	(\$5,191,000)
9		<u>\$5,327,000</u>
10	Waste Education/Recycling/Litter Control--State	
11	Appropriation	\$101,000
12	State Toxics Control Account--State	
13	Appropriation	\$67,000
14	Oil Spill Administration Account--State	
15	Appropriation	\$14,000
16	TOTAL APPROPRIATION	(\$169,933,000)
17		<u>\$170,394,000</u>

18 The appropriations in this section are subject to the following
19 conditions and limitations:

20 (1) \$96,000 of the general fund--state appropriation for fiscal
21 year 2005 is provided solely to implement House Bill No. 2436 (retired
22 persons property tax). If the bill is not enacted by June 30, 2004,
23 the amount provided in this subsection shall lapse.

24 (2) \$80,000 of the general fund--state appropriation for fiscal
25 year 2005 is provided solely to implement Substitute House Bill No.
26 2500 (streamlined sales & use tax). If the bill is not enacted by June
27 30, 2004, the amount provided in this subsection shall lapse.

28 (3) \$149,000 of the general fund--state appropriation for fiscal
29 year 2005 is provided solely to implement Substitute House Bill No.
30 2531 (regional transportation investment districts). If the bill is
31 not enacted by June 30, 2004, the amount provided in this subsection
32 shall lapse.

33 (4) \$136,000 of the timber tax distribution account appropriation
34 is provided solely to implement Engrossed Substitute House Bill No.
35 2693 (taxation of timber). If the bill is not enacted by June 30,
36 2004, the amount provided in this subsection shall lapse.

37

1	Appropriation	((\$32,307,000))
2		\$33,209,000
3	TOTAL APPROPRIATION	((\$32,938,000))
4		\$33,840,000

5

6 The appropriations in this section are subject to the following
7 conditions and limitations: \$200,000 of the insurance commissioner's
8 regulatory account--state appropriation is provided solely to assess
9 conditions in liability insurance markets in Washington. The
10 commissioner will develop and provide information to Washington
11 businesses, insurance agents, and brokers to assist such businesses in
12 obtaining liability insurance coverage. The commissioner will also
13 assist such businesses in determining which Washington agents and
14 brokers have access to authorized and surplus lines insurers writing
15 such liability coverages. The commissioner shall provide this
16 information in a manner that does not discriminate or favor any agent,
17 broker, or insurer writing business directly. Nothing in this section
18 shall impair the authority of the commissioner to activate a market
19 assistance plan under RCW 48.22.050.

20 **Sec. 126.** 2003 1st sp.s. c 25 s 146 (uncodified) is amended to
21 read as follows:

22 **FOR THE HORSE RACING COMMISSION**

23 Horse Racing Commission Account--State
24 Appropriation \$4,609,000

25 The appropriation in this section is subject to the following
26 conditions and limitations: During fiscal year 2005, the commission
27 may raise license fees in excess of the fiscal growth factor as
28 provided in RCW 43.135.055.

29 **Sec. 127.** 2003 1st sp.s. c 25 s 147 (uncodified) is amended to
30 read as follows:

31 **FOR THE LIQUOR CONTROL BOARD**

32 General Fund--State Appropriation (FY 2004) \$1,454,000
33 General Fund--State Appropriation (FY 2005) \$1,455,000
34 Liquor Control Board Construction and Maintenance
35 Account--State Appropriation \$5,717,000
36 Liquor Revolving Account--State
37 Appropriation ((~~\$133,842,000~~))

1 \$135,793,000
 2 TOTAL APPROPRIATION ((\$142,468,000))
 3 \$144,419,000

4 The appropriations in this section are subject to the following
 5 conditions and limitations:

6 (1) \$2,000,000 of the liquor revolving account appropriation is
 7 provided solely for the costs associated with (~~the completion of~~) the
 8 merchandising business system, with priority placed on the point of
 9 sale component of the system. Actual expenditures are limited to the
 10 balance of funds remaining from the \$4,803,000 appropriation provided
 11 for the merchandise business system in the 2001-03 budget.

12 (2) \$1,309,000 of the liquor revolving account appropriation is
 13 provided solely for the costs associated with (~~purchasing merchandise~~
 14 ~~business system software and hardware related items, and hiring system-~~
 15 ~~related staff~~) the merchandising business system solution, with
 16 priority placed on the point of sale component of the system. These
 17 costs include hiring system-related staff and procuring system-related
 18 hardware and software.

19 (3) As required under RCW 66.16.010, the liquor control board shall
 20 add an equivalent surcharge of \$0.42 per liter on all retail sales of
 21 spirits, excluding licensee, military and tribal sales, effective no
 22 later than September 1, 2003. The intent of this surcharge is to raise
 23 \$14,000,000 in additional revenue for the 2003-05 biennium. To the
 24 extent that a lesser surcharge is sufficient to raise \$14,000,000, the
 25 board may reduce the amount of the surcharge. The board shall remove
 26 the surcharge once it generates \$14,000,000, but no later than June 30,
 27 2005.

28 (4) \$875,000 of the liquor revolving account appropriation is
 29 provided solely to implement Engrossed Second Substitute House Bill No.
 30 2131 (Sunday sales). If the bill is not enacted by June 30, 2004, the
 31 amount provided in this subsection shall lapse.

32 **Sec. 128.** 2003 1st sp.s. c 25 s 148 (uncodified) is amended to
 33 read as follows:

34 **FOR THE UTILITIES AND TRANSPORTATION COMMISSION**

35 Public Service Revolving Account--State
 36 Appropriation ((\$25,872,000))
 37 \$26,654,000

1	Pipeline Safety Account--State	
2	Appropriation	\$2,768,000
3	Pipeline Safety Account--Federal	
4	Appropriation	\$1,041,000
5	TOTAL APPROPRIATION	((\$29,681,000))
6		<u>\$30,463,000</u>

7 The appropriations in this section are subject to the following
8 conditions and limitations:

9 (1) The commission shall report back to the appropriate policy
10 committees of the legislature by July 1st of 2003 and 2004 a list of
11 authorized out-of-state travel for the preceding calendar year.

12 ((~~+3~~)) (2) \$135,000 of the public services revolving account
13 appropriation and \$15,000 of the pipeline safety account--state
14 appropriation are provided solely for the implementation of the
15 commission's financial systems project. If final approval for the
16 project is not granted by the office of financial management, the
17 amounts provided in this subsection shall lapse.

18 ((~~+4~~)) (3) \$200,000 of the public services revolving account
19 appropriation is provided solely for an interagency transfer to the
20 joint legislative audit and review committee for the implementation of
21 Engrossed Substitute House Bill No. 1013 (UTC performance audit). If
22 the bill is not enacted by June 30, ((~~2003~~)) 2004, the amount provided
23 in this subsection shall lapse.

24 **Sec. 129.** 2003 1st sp.s. c 25 s 150 (uncodified) is amended to
25 read as follows:

26 **FOR THE MILITARY DEPARTMENT**

27	General Fund--State Appropriation (FY 2004)	((\$8,486,000))
28		<u>\$8,578,000</u>
29	General Fund--State Appropriation (FY 2005)	((\$8,223,000))
30		<u>\$8,466,000</u>
31	General Fund--Federal Appropriation	((\$72,094,000))
32		<u>\$143,243,000</u>
33	General Fund--Private/Local Appropriation	\$371,000
34	Enhanced 911 Account--State Appropriation	\$33,955,000
35	Disaster Response Account--State Appropriation	((\$190,000))
36		<u>\$3,472,000</u>
37	<u>Disaster Response Account--Federal Appropriation</u>	<u>\$8,915,000</u>

1	Worker and Community Right to Know Fund--State	
2	Appropriation	\$290,000
3	Nisqually Earthquake Account--State	
4	Appropriation	((\$13,128,000))
5		<u>\$17,869,000</u>
6	Nisqually Earthquake Account--Federal	
7	Appropriation	((\$48,725,000))
8		<u>\$62,103,000</u>
9	TOTAL APPROPRIATION	((\$185,462,000))
10		<u>\$287,262,000</u>

11 The appropriations in this section are subject to the following
12 conditions and limitations:

13 (1) \$190,000 of the disaster response account--state appropriation
14 is provided solely to develop and implement a disaster grant management
15 system. The military department shall also submit a report quarterly
16 to the office of financial management and the legislative fiscal
17 committees detailing information on the disaster response account,
18 including: (a) The amount and type of deposits into the account; (b)
19 the current available fund balance as of the reporting date; and (c)
20 the projected fund balance at the end of the 2003-05 biennium based on
21 current revenue and expenditure patterns.

22 (2) ((~~\$10,128,000~~)) \$14,869,000 of the Nisqually earthquake
23 account--state appropriation and ((~~\$48,725,000~~)) \$62,103,000 of the
24 Nisqually earthquake account--federal appropriation are provided solely
25 for response and recovery costs associated with the February 28, 2001,
26 earthquake. The military department shall submit a report quarterly to
27 the office of financial management and the legislative fiscal
28 committees detailing earthquake recovery costs, including: (a)
29 Estimates of total costs; (b) incremental changes from the previous
30 estimate; (c) actual expenditures; (d) estimates of total remaining
31 costs to be paid; and (e) estimates of future payments by biennium.
32 This information shall be displayed by fund, by type of assistance, and
33 by amount paid on behalf of state agencies or local organizations. The
34 military department shall also submit a report quarterly to the office
35 of financial management and the legislative fiscal committees detailing
36 information on the Nisqually earthquake account, including: (a) The
37 amount and type of deposits into the account; (b) the current available

1 fund balance as of the reporting date; and (c) the projected fund
2 balance at the end of the 2003-05 biennium based on current revenue and
3 expenditure patterns.

4 (3) \$3,000,000 of the Nisqually earthquake account--state
5 appropriation is provided solely to cover other response and recovery
6 costs associated with the Nisqually earthquake that are not eligible
7 for federal emergency management agency reimbursement. Prior to
8 expending funds provided in this subsection, the military department
9 shall obtain prior approval of the director of financial management.
10 Prior to approving any single project of over \$1,000,000, the office of
11 financial management shall notify the fiscal committees of the
12 legislature. The military department is to submit a quarterly report
13 detailing the costs authorized under this subsection to the office of
14 financial management and the legislative fiscal committees.

15 (4) \$200,000 of the general fund--state appropriation for fiscal
16 year 2004, \$200,000 of the general fund--state appropriation for fiscal
17 year 2005, and (~~(\$43,555,000)~~) \$105,952,000 of the general fund--
18 federal appropriation are provided solely for homeland security, to be
19 distributed as follows:

20 (a) \$9,469,000 of the general fund--federal appropriation to units
21 of local government for homeland security purposes. Any communications
22 equipment purchased shall be consistent with standards set by the
23 Washington state interoperability executive committee;

24 (b) \$200,000 of the general fund--state appropriation for fiscal
25 year 2004, \$200,000 of the general fund--state appropriation for fiscal
26 year 2005, and (~~(\$200,000)~~) \$2,713,000 of the general fund--federal
27 appropriation to the department to conduct the terrorism consequence
28 management program;

29 (c) \$100,000 of the general fund--federal appropriation to the
30 department to conduct a critical infrastructure assessment;

31 (d) (~~(\$500,000)~~) \$674,000 of the general fund--federal
32 appropriation to the office of financial management for the citizen
33 corps and the community emergency response teams;

34 (e) \$1,384,000 of the general fund--federal appropriation to the
35 department to provide homeland security exercise and training
36 opportunities to state and local governments, and to develop, monitor,
37 coordinate, and manage statewide homeland security programs, including
38 required grant administration, monitoring, and reporting;

1 (f) (~~(\$29,917,000)~~) \$89,677,000 of the general fund--federal
2 appropriation for other anticipated homeland security needs. This
3 amount shall not be allotted until a spending plan is approved by the
4 governor's domestic security advisory group and the office of financial
5 management;

6 (g) The remaining general fund--federal appropriation may be
7 expended according to federal requirements;

8 (h) Federal moneys shall be carried forward and applied to the pool
9 of moneys available for appropriation for programs and projects in the
10 succeeding fiscal year. Funding is contingent upon receipt of federal
11 awards. As part of its budget request in each year, the department
12 shall estimate and request authority to spend any federal funds
13 remaining available as a result of this subsection;

14 (i) The department shall submit a quarterly report to the office of
15 financial management and the legislative fiscal committees detailing
16 the governor's domestic security advisory group recommendations;
17 homeland security revenues and expenditures, including estimates of
18 total federal funding for Washington state; incremental changes from
19 the previous estimate, planned and actual homeland security
20 expenditures by the state and local governments with this federal
21 funding; and matching or accompanying state or local expenditures.

22 **Sec. 130.** 2003 1st sp.s. c 25 s 151 (uncodified) is amended to
23 read as follows:

24 **FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION**

25	General Fund--State Appropriation (FY 2004)	\$2,362,000
26	General Fund--State Appropriation (FY 2005)	((\$2,436,000))
27		<u>\$2,396,000</u>
28	Department of Personnel Service Account--State	
29	Appropriation	\$2,542,000
30	TOTAL APPROPRIATION	((\$7,340,000))
31		<u>\$7,300,000</u>

32 (~~The appropriations in this section are subject to the following~~
33 ~~conditions and limitations: \$40,000 of the general fund state~~
34 ~~appropriation for fiscal year 2005 is provided solely for the~~
35 ~~implementation of Second Substitute Senate Bill No. 5012 (charter~~

1 ~~schools). If the bill is not enacted by June 30, 2003, the amount~~
2 ~~provided in this subsection shall lapse.))~~

(End of part)

1 a specified purpose except as expressly provided in subsection (3)(b)
2 of this section.

3 (b) To the extent that transfers under subsection (3)(a) of this
4 section are insufficient to fund actual expenditures in excess of
5 fiscal year 2004 caseload forecasts and utilization assumptions in the
6 medical assistance, long-term care, foster care, adoption support, and
7 child support programs, the department may transfer state moneys that
8 are provided solely for a specified purpose after approval by the
9 director of financial management.

10 (c) The director of financial management shall notify the
11 appropriate fiscal committees of the senate and house of
12 representatives in writing prior to approving any allotment
13 modifications or transfers under this subsection.

14 (4) ((The department)) After consultation and coordination with
15 local elected officials and community groups to assure there will be no
16 degradation in existing services as a result of implementing the
17 Washington medicaid integration project, the department shall report
18 its progress to the appropriate committees of the legislature during
19 the 2004 September committee assembly days and is authorized to develop
20 an integrated health care program designed to slow the progression of
21 illness and disability and better manage Medicaid expenditures for the
22 aged and disabled population. Under this Washington medicaid
23 integration partnership (WMIP) the department may combine and transfer
24 such Medicaid funds appropriated under sections 204, 206, 208, and 209
25 of this act as may be necessary to finance a unified health care plan
26 for the WMIP program enrollment. The WMIP pilot projects shall not
27 exceed a daily enrollment of 6,000 persons during the 2003-05 biennium.
28 The amount of funding assigned to the pilot projects from each program
29 may not exceed the average per capita cost assumed in this act for
30 individuals covered by that program, actuarially adjusted for the
31 health condition of persons enrolled in the pilot, times the number of
32 clients enrolled in the pilot. In implementing the WMIP pilot
33 projects, the department may: (a) Withhold from calculations of
34 "available resources" as set forth in RCW 71.24.025 a sum equal to the
35 capitated rate for individuals enrolled in the pilots; and (b) employ
36 capitation financing and risk-sharing arrangements in collaboration
37 with health care service contractors licensed by the office of the
38 insurance commissioner and qualified to participate in both the

1 need of special care as a result of substance abuse by their mothers.
2 The facility shall also provide on-site training to biological,
3 adoptive, or foster parents. The facility shall provide at least three
4 months of consultation and support to parents accepting placement of
5 children from the facility. The facility may recruit new and current
6 foster and adoptive parents for infants served by the facility. The
7 department shall not require case management as a condition of the
8 contract.

9 (3) \$375,000 of the general fund--state fiscal year 2004
10 appropriation, \$375,000 of the general fund--state fiscal year 2005
11 appropriation, and \$322,000 of the general fund--federal appropriation
12 are provided for up to three nonfacility-based programs for the
13 training, consultation, support, and recruitment of biological, foster,
14 and adoptive parents of children through age three in need of special
15 care as a result of substance abuse by their mothers, except that each
16 program may serve up to three medically fragile nonsubstance-abuse-
17 affected children. In selecting nonfacility-based programs, preference
18 shall be given to programs whose federal or private funding sources
19 have expired or that have successfully performed under the existing
20 pediatric interim care program.

21 (4) The providers for the 31 HOPE beds shall be paid a \$1,000 base
22 payment per bed per month, and reimbursed for the remainder of the bed
23 cost only when the beds are occupied.

24 (5) \$125,000 of the general fund--state appropriation for fiscal
25 year 2004 and \$125,000 of the general fund--state appropriation for
26 fiscal year 2005 are provided solely for a foster parent retention
27 program. This program is directed at foster parents caring for
28 children who act out sexually.

29 (6) Within funding provided for the foster care and adoption
30 support programs, the department shall control reimbursement decisions
31 for foster care and adoption support cases such that the aggregate
32 average cost per case for foster care and for adoption support does not
33 exceed the amounts assumed in the projected caseload expenditures. The
34 department shall adjust adoption support benefits to account for the
35 availability of the new federal adoption support tax credit for special
36 needs children.

37 (7) \$50,000 of the fiscal year 2004 general fund--state

1 appropriation and \$50,000 of the fiscal year 2005 general fund--state
2 appropriation are provided solely for a street youth program in
3 Spokane.

4 (8) \$1,500,000 of the general fund--state appropriation for fiscal
5 year 2005 is provided solely to increase shelter and other services for
6 victims of domestic violence provided as a part of the department's
7 victim assistance program.

8 (9) \$100,000 of the general fund--state appropriation for fiscal
9 year 2004, \$2,921,000 of the general fund--state appropriation for
10 fiscal year 2005, and \$1,763,000 of the general fund--federal
11 appropriation are provided solely to implement CAMIS user interface
12 improvements and family team decision meetings, as a part of the
13 department's program improvement plan implementation.

14 (10) The department shall convene regional and local department
15 staff and community-based agency staff to develop recommended policies
16 and protocols concerning collaborative decision making, including,
17 contracting, referrals, and resource allocation. The department shall
18 submit these recommendations to the governor and the appropriate
19 committees of the legislature by December 1, 2004.

20 **Sec. 203.** 2003 1st sp.s. c 25 s 203 (uncodified) is amended to
21 read as follows:

22 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--JUVENILE**
23 **REHABILITATION PROGRAM**

24	General Fund--State Appropriation (FY 2004)	((\$74,095,000))
25		<u>\$72,435,000</u>
26	General Fund--State Appropriation (FY 2005)	((\$72,697,000))
27		<u>\$70,712,000</u>
28	General Fund--Federal Appropriation	((\$12,062,000))
29		<u>\$6,260,000</u>
30	General Fund--Private/Local Appropriation	\$1,098,000
31	Juvenile Accountability Incentive	
32	Account--Federal Appropriation	((\$9,139,000))
33		<u>\$7,300,000</u>
34	Violence Reduction and Drug Enforcement Account--	
35	State Appropriation	((\$37,338,000))
36		<u>\$37,699,000</u>
37	TOTAL APPROPRIATION	((\$206,429,000))

The appropriations in this section are subject to the following conditions and limitations:

(1) \$695,000 of the violence reduction and drug enforcement account appropriation is provided solely for deposit in the county criminal justice assistance account for costs to the criminal justice system associated with the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county adult court costs associated with the implementation of chapter 338, Laws of 1997 and shall be distributed in accordance with RCW 82.14.310.

(2) \$6,065,000 of the violence reduction and drug enforcement account appropriation is provided solely for the implementation of chapter 338, Laws of 1997 (juvenile code revisions). The amounts provided in this subsection are intended to provide funding for county impacts associated with the implementation of chapter 338, Laws of 1997 and shall be distributed to counties as prescribed in the current consolidated juvenile services (CJS) formula.

(3) \$1,204,000 of the general fund--state appropriation for fiscal year 2004, \$1,204,000 of the general fund--state appropriation for fiscal year 2005, and \$5,262,000 of the violence reduction and drug enforcement account appropriation are provided solely to implement community juvenile accountability grants pursuant to chapter 338, Laws of 1997 (juvenile code revisions). Funds provided in this subsection may be used solely for community juvenile accountability grants, administration of the grants, and evaluations of programs funded by the grants.

(4) \$2,544,000 of the violence reduction and drug enforcement account appropriation is provided solely to implement alcohol and substance abuse treatment programs for locally committed offenders. The juvenile rehabilitation administration shall award these moneys on a competitive basis to counties that submitted a plan for the provision of services approved by the division of alcohol and substance abuse. The juvenile rehabilitation administration shall develop criteria for evaluation of plans submitted and a timeline for awarding funding and shall assist counties in creating and submitting plans for evaluation.

~~(5) ((\$100,000 of the general fund--state appropriation for fiscal~~

1 ~~year 2004 and \$100,000 of the general fund--state appropriation for~~
2 ~~fiscal year 2005 are provided solely for a contract for expanded~~
3 ~~services of the teamchild project.~~

4 ~~(6))~~ \$16,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$16,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for the implementation of chapter
7 167, Laws of 1999 (firearms on school property). The amounts provided
8 in this subsection are intended to provide funding for county impacts
9 associated with the implementation of chapter 167, Laws of 1999, and
10 shall be distributed to counties as prescribed in the current
11 consolidated juvenile services (CJS) formula.

12 ~~((8))~~ (6) \$16,000 of the violence reduction and drug enforcement
13 account appropriation is provided solely for the evaluation of the
14 juvenile offender co-occurring disorder pilot program (~~implemented~~
15 ~~pursuant to subsection (7) of this section~~)).

16 ~~((9) \$900,000 of the general fund--state appropriation for fiscal~~
17 ~~year 2004 and \$900,000 of the general fund--state appropriation for~~
18 ~~fiscal year 2005 are provided solely for the continued implementation~~
19 ~~of the juvenile violence prevention grant program established in~~
20 ~~section 204, chapter 309, Laws of 1999.~~

21 ~~(11))~~ (7) For the purposes of a pilot project recommended by the
22 family policy council, the juvenile rehabilitation administration shall
23 provide a block grant, rather than categorical funding, for
24 consolidated juvenile services, community juvenile accountability act
25 grants, the chemically dependent disposition alternative, and the
26 special sex offender disposition alternative to the Pierce county
27 juvenile court. To evaluate the effect of decategorizing funding for
28 youth services, the juvenile court shall do the following:

29 (a) Develop intermediate client outcomes according to the risk
30 assessment tool (RAT) currently used by juvenile courts and in
31 coordination with the juvenile rehabilitation administration and the
32 family policy council;

33 (b) Track the number of youth participating in each type of
34 service, intermediate outcomes, and the incidence of recidivism within
35 twenty-four months of completion of services;

36 (c) Track similar data as in (b) of this subsection with an
37 appropriate control group, selected in coordination with the juvenile
38 rehabilitation administration and the family policy council;

1 (d) Document the process for managing block grant funds on a
2 quarterly basis, and provide this report to the juvenile rehabilitation
3 administration and the family policy council; and

4 (e) Provide an initial process evaluation to the juvenile
5 rehabilitation administration and the family policy council by January
6 30, 2004, and an intermediate evaluation by December 31, 2004. The
7 court shall develop this evaluation in consultation with the juvenile
8 rehabilitation administration, the family policy council, and the
9 Washington state institute for public policy.

10 ((~~(13)~~—\$308,000)) (8) \$158,000 of the general fund--state
11 appropriation for fiscal year 2004 and ((~~\$875,000~~)) \$580,000 of the
12 general fund--state appropriation for fiscal year 2005 are provided
13 solely to reimburse counties for local juvenile disposition
14 alternatives implemented pursuant to Senate Bill No. 5903 (juvenile
15 offender sentencing). The juvenile rehabilitation administration, in
16 consultation with the juvenile court administrators, shall develop an
17 equitable distribution formula for the funding provided in this
18 subsection. The juvenile rehabilitation administration may adjust this
19 funding level in the event that utilization rates of the disposition
20 alternatives are lower than the level anticipated by the total
21 appropriations to the juvenile rehabilitation administration in this
22 section. If the bill is not enacted by June 30, 2003, the amounts
23 provided in this subsection shall lapse.

24 ((~~(14)~~)) (9) \$1,416,000 of the general fund--state appropriation
25 for fiscal year 2004 and \$1,417,000 of the general fund--state
26 appropriation for fiscal year 2005 are provided solely for additional
27 research-based services to the juvenile parole population, including
28 quality control efforts to ensure appropriate implementation of
29 research-based services. The juvenile rehabilitation administration
30 shall consult with the Washington state institute for public policy in
31 deciding which interventions to provide to the parole population and
32 appropriate levels of quality control. Of the total general fund--
33 state appropriation for fiscal year 2004, up to \$55,000 may be used for
34 additional suicide precaution training for staff.

35 **Sec. 204.** 2003 1st sp.s. c 25 s 204 (uncodified) is amended to
36 read as follows:

1 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MENTAL HEALTH**
2 **PROGRAM**

3 (1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

4	General Fund--State Appropriation (FY 2004)	((\$209,818,000))
5		<u>\$200,251,000</u>
6	General Fund--State Appropriation (FY 2005)	((\$211,317,000))
7		<u>\$213,519,000</u>
8	General Fund--Federal Appropriation	((\$384,801,000))
9		<u>\$404,043,000</u>
10	General Fund--Local Appropriation	\$1,970,000
11	TOTAL APPROPRIATION	((\$807,906,000))
12		<u>\$819,783,000</u>

13 The appropriations in this subsection are subject to the following
14 conditions and limitations:

15 (a) Regional support networks shall use portions of the general
16 fund--state appropriation for implementation of working agreements with
17 the vocational rehabilitation program that will maximize the use of
18 federal funding for vocational programs.

19 (b) From the general fund--state appropriations in this subsection,
20 the secretary of social and health services shall assure that regional
21 support networks reimburse the aging and disability services
22 administration for the general fund--state cost of medicaid personal
23 care services that enrolled regional support network consumers use
24 because of their psychiatric disability.

25 (c) \$4,222,000 of the general fund--state appropriation for fiscal
26 year 2004, \$4,222,000 of the general fund--state appropriation for
27 fiscal year 2005, and \$8,444,000 of the general fund--federal
28 appropriation are provided solely for the continued operation of
29 community residential and support services for persons whose treatment
30 needs constitute substantial barriers to community placement and who no
31 longer require active psychiatric treatment at an inpatient hospital
32 level of care, no longer meet the criteria for inpatient involuntary
33 commitment, and have been discharged from a state psychiatric hospital.
34 Primary responsibility and accountability for provision of appropriate
35 community support for persons placed with these funds shall reside with
36 the mental health program and the regional support networks, with
37 partnership and active support from the alcohol and substance abuse
38 division and from the aging and disability services administration.

1 The department shall continue performance-based incentive contracts to
2 provide appropriate community support services for individuals leaving
3 the state hospitals under this subsection. The department shall first
4 seek to contract with regional support networks before offering a
5 contract to any other party. The funds appropriated in this subsection
6 shall not be considered "available resources" as defined in RCW
7 71.24.025 and are not subject to the standard allocation formula
8 applied in accordance with RCW 71.24.035(13)(a).

9 (d) At least \$902,000 of the federal block grant funding
10 appropriated in this subsection shall be used for the continued
11 operation of the mentally ill offender pilot program.

12 ~~((f))~~ (e) Within funds appropriated in this subsection, the
13 department shall contract with the Clark county regional support
14 network for development and operation of a project demonstrating
15 collaborative methods for providing intensive mental health services in
16 the school setting for severely emotionally disturbed children who are
17 medicaid eligible. Project services are to be delivered by teachers
18 and teaching assistants who qualify as, or who are under the
19 supervision of, mental health professionals meeting the requirements of
20 chapter 275-57 WAC. The department shall increase medicaid payments to
21 the regional support network by the amount necessary to cover the
22 necessary and allowable costs of the demonstration, not to exceed the
23 upper payment limit specified for the regional support network in the
24 department's medicaid waiver agreement with the federal government
25 after meeting all other medicaid spending requirements assumed in this
26 subsection. The regional support network shall provide the department
27 with (i) periodic reports on project service levels, methods, and
28 outcomes; and (ii) an intergovernmental transfer equal to the state
29 share of the increased medicaid payment provided for operation of this
30 project.

31 ~~((g))~~ (f) The department shall assure that each regional support
32 network increases spending on direct client services in fiscal years
33 2004 and 2005 by at least the same percentage as the total state,
34 federal, and local funds allocated to the regional support network in
35 those years exceed the amounts allocated to it in fiscal year 2003.

36 (2) INSTITUTIONAL SERVICES
37 General Fund--State Appropriation (FY 2004) (~~(\$94,196,000)~~)
38 \$93,933,000

1	General Fund--State Appropriation (FY 2005)	((\$92,964,000))
2		<u>\$93,435,000</u>
3	General Fund--Federal Appropriation	((\$134,755,000))
4		<u>\$135,076,000</u>
5	General Fund--Private/Local Appropriation	((\$26,342,000))
6		<u>\$29,118,000</u>
7	TOTAL APPROPRIATION	((\$348,257,000))
8		<u>\$351,562,000</u>

9 The appropriations in this subsection are subject to the following
10 conditions and limitations:

11 (a) The state mental hospitals may use funds appropriated in this
12 subsection to purchase goods and supplies through hospital group
13 purchasing organizations when it is cost-effective to do so.

14 (b) The mental health program at Western state hospital shall
15 continue to use labor provided by the Tacoma prerelease program of the
16 department of corrections.

17 (c) During the 2003-05 biennium, the department may not reduce the
18 number of inpatient psychiatric hospital beds in the state hospitals
19 below existing levels of 547 at Western State Hospital and 191 at
20 Eastern State Hospital, until such time as there are available
21 community resources, especially inpatient facilities, at an average
22 cost equal to or less than the respective hospital's daily rate and the
23 reduction receives legislative approval. In addition, residential beds
24 in the program for adaptive living skills at Western state hospital may
25 be closed only if the department provides sufficient resources for
26 these patients' mental health care to the communities in which they are
27 placed.

28 (3) CIVIL COMMITMENT

29	General Fund--State Appropriation (FY 2004)	((\$28,695,000))
30		<u>\$29,194,000</u>
31	General Fund--State Appropriation (FY 2005)	((\$32,081,000))
32		<u>\$34,551,000</u>
33	TOTAL APPROPRIATION	((\$60,776,000))
34		<u>\$63,745,000</u>

35 The appropriations in this subsection are subject to the following
36 conditions and limitations:

1 (a) (~~(\$1,381,000 of the general fund state appropriation for~~
2 ~~fiscal year 2004 and \$2,090,000 of the general fund state~~
3 ~~appropriation for fiscal year 2005 are provided solely for operational~~
4 ~~costs associated with a less restrictive step-down placement facility~~
5 ~~on McNeil Island.~~

6 (b)) \$300,000 of the general fund--state appropriation for fiscal
7 year 2004 and \$300,000 of the general fund--state appropriation for
8 fiscal year 2005 are provided solely for public safety mitigation
9 funding for jurisdictions affected by the placement of (~~less~~
10 ~~restrictive alternative facilities for persons conditionally released~~
11 ~~from the special commitment center facility being constructed~~) the
12 secure community transition facility on McNeil Island. Of this amount,
13 \$45,000 per year shall be provided to the city of Lakewood on September
14 1, 2003, and September 1, 2004, for police protection (~~(reimbursement)~~)
15 services provided by the city at Western State Hospital and adjacent
16 areas(~~(; up to \$45,000 per year shall be provided on September 1, 2003,~~
17 ~~and September 1, 2004, for training police personnel under chapter 12,~~
18 ~~Laws of 2001, 2nd sp. sess. (3ESSB 6151); up to \$125,000 per year shall~~
19 ~~be provided to Pierce county on September 1, 2003, and September 1,~~
20 ~~2004, for reimbursement of additional costs; and the remaining amounts~~
21 ~~are for other documented costs by jurisdictions directly impacted by~~
22 ~~the placement of the secure community transition facility on McNeil~~
23 ~~Island. Pursuant to chapter 12, Laws of 2001, 2nd sp. sess. (3ESSB~~
24 ~~6151), the department shall continue to work with local jurisdictions~~
25 ~~towards reaching agreement for mitigation costs.~~

26 (c) ~~\$924,000 of the general fund state appropriation for fiscal~~
27 ~~year 2004 and \$1,429,000 of the general fund state appropriation for~~
28 ~~fiscal year 2005 are provided solely for operational costs associated~~
29 ~~with a less restrictive step-down placement facility located outside of~~
30 ~~Pierce county. In selecting a site, the department is encouraged to~~
31 ~~purchase or lease a site in an industrial area close to employment~~
32 ~~opportunities and treatment services, in an effort to reduce operating~~
33 ~~expenditures related to transportation and staff time)). Of the~~
34 remaining \$255,000 per year, the department shall reimburse the
35 affected jurisdictions for their documented costs that have been
36 negotiated in an interagency agreement between the department and each
37 jurisdiction, as follows:

1 (i) Up to \$125,000 per year shall be provided to Pierce county for
2 its additional public safety costs as defined in RCW 71.09.344(2).

3 (ii) Up to \$45,000 per year shall be provided to affected
4 jurisdictions other than Pierce county for the costs of training their
5 law enforcement and administrative personnel as defined in RCW
6 71.09.344(2)(a).

7 (iii) The remaining amounts are for affected jurisdictions other
8 than Pierce county for reimbursement of their documented public safety
9 costs as defined in RCW 71.09.344(2) (b), (c), and (d).

10 (b) \$4,000 of the general fund--state appropriation for fiscal year
11 2004 and \$354,000 of the general fund--state appropriation for fiscal
12 year 2005 are provided solely for mitigation costs for the city of
13 Seattle associated with the development and occupancy of the secure
14 community transition facility in Seattle, as described in the
15 settlement agreement dated February 3, 2004, between the department and
16 the city of Seattle. If *City of Seattle v. DSHS*, King County Superior
17 Court Cause No. 03-2-37882-SEA is not dismissed with prejudice by July
18 1, 2004, this appropriation shall lapse. If the proceeding requested
19 by the city under RCW 71.09.342(5) is not withdrawn or dismissed with
20 prejudice by July 1, 2004, this appropriation shall lapse.

21 (4) SPECIAL PROJECTS

22 General Fund--Federal Appropriation \$2,082,000

23 (5) PROGRAM SUPPORT

24 General Fund--State Appropriation (FY 2004) ((~~\$2,863,000~~))
25 \$3,144,000

26 General Fund--State Appropriation (FY 2005) ((~~\$2,751,000~~))
27 \$3,122,000

28 General Fund--Federal Appropriation ((~~\$5,011,000~~))
29 \$5,807,000

30 TOTAL APPROPRIATION ((~~\$10,625,000~~))
31 \$12,073,000

32 The appropriations in this subsection are subject to the following
33 conditions and limitations:

34 (a) \$113,000 of the general fund--state appropriation for fiscal
35 year 2004, \$125,000 of the general fund--state appropriation for fiscal
36 year 2005, and \$164,000 of the general fund--federal appropriation are
37 provided solely for the institute for public policy to evaluate the

1 impacts of chapter 214, Laws of 1999 (mentally ill offenders), chapter
2 297, Laws of 1998 (commitment of mentally ill persons), and chapter
3 334, Laws of 2001 (mental health performance audit).

4 (b) \$50,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$50,000 of the general fund--federal appropriation are
6 provided solely for a study of the prevalence of mental illness among
7 the state's regional support networks. The study shall examine how
8 reasonable estimates of the prevalence of mental illness relate to the
9 incidence of persons enrolled in medical assistance programs in each
10 regional support network area. In conducting this study, the
11 department shall consult with the joint legislative audit and review
12 committee, regional support networks, community mental health
13 providers, and mental health consumer representatives. The department
14 shall submit a final report on its findings to the fiscal, health care,
15 and human services committees of the legislature by November 1, 2003.

16 (c) \$100,000 of the general fund--state appropriation for fiscal
17 year 2004 is provided solely for a study of community residential
18 psychiatric capacity to determine specific community mental health
19 needs, optimum treatment locations, and evaluate facility options,
20 including operations and staffing costs. The department shall make
21 recommendations to the appropriate committees of the legislature by
22 November 1, 2004.

23 **Sec. 205.** 2003 1st sp.s. c 25 s 205 (uncodified) is amended to
24 read as follows:

25 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--DEVELOPMENTAL**
26 **DISABILITIES PROGRAM**

27 (1) COMMUNITY SERVICES

28 General Fund--State Appropriation (FY 2004)	((\$262,458,000))
	<u>\$250,712,000</u>
30 General Fund--State Appropriation (FY 2005)	((\$268,826,000))
	<u>\$271,707,000</u>
32 General Fund--Federal Appropriation	((\$439,489,000))
	<u>\$450,614,000</u>
34 Health Services Account--State	
35 Appropriation	((\$1,038,000))
	<u>\$885,000</u>
37 TOTAL APPROPRIATION	((\$971,811,000))

The appropriations in this subsection are subject to the following conditions and limitations:

(a) Any new funding for family support and high school transition along with a portion of existing funding for these programs shall be provided as supplemental security income (SSI) state supplemental payments for persons with developmental disabilities in families with taxable incomes at or below 150 percent of median family income. Individuals receiving family support or high school transition payments shall not become eligible for medical assistance under RCW 74.09.510 due solely to the receipt of SSI state supplemental payments.

(b) The health services account appropriation and (~~(\$1,038,000)~~) \$885,000 of the general fund--federal appropriation are provided solely for health care benefits for home care workers with family incomes below 200 percent of the federal poverty level who are employed through state contracts for twenty hours per week or more.

(i) Premium payments for individual provider home care workers shall be made only to the subsidized basic health plan.

(ii) Home care agencies may obtain coverage either through the basic health plan or through an alternative plan with substantially equivalent benefits. It is the intent of the legislature to fund the purchase of health care benefits for agency home care providers in a more fiscally prudent manner. The legislature encourages agency providers to purchase more cost-effective health care benefits, including increasing participation in the basic health plan or purchasing substantially equivalent benefits with substantially equivalent costs.

(c) (~~(\$510,000)~~) \$587,000 of the general fund--state appropriation for fiscal year 2004, (~~(\$784,000)~~) \$2,181,000 of the general fund--state appropriation for fiscal year 2005, and (~~(\$1,225,000)~~) \$2,708,000 of the general fund--federal appropriation are provided solely for community residential and support services. Funding in this subsection shall be prioritized for (i) residents of residential habilitation centers who are able to be adequately cared for in community settings and who choose to live in those community settings; (~~and~~) (ii) clients without residential services who are at immediate risk of institutionalization or in crisis; (iii) children who are aging out of other state services; and (iv) current home and community-based waiver

1 program clients who have been assessed as having an immediate need for
2 increased services. The department shall ensure that the average cost
3 per day for all program services other than start-up costs shall not
4 exceed \$300. In order to maximize the number of clients served and
5 ensure the cost-effectiveness of the waiver programs, the department
6 will strive to limit new client placement expenditures to 90 percent of
7 the budgeted daily rate. If this can be accomplished, additional
8 clients may be served with excess funds provided the total projected
9 carry-forward expenditures do not exceed the amounts estimated. The
10 department shall electronically report to the appropriate committees of
11 the legislature, within 45 days following each fiscal year quarter, the
12 number of residents moving into community settings and the actual
13 expenditures for all community services to support those residents.

14 (d) (~~(\$511,000)~~) \$617,000 of the general fund--state appropriation
15 for fiscal year 2004, (~~(\$616,000)~~) \$1,542,000 of the general fund--
16 state appropriation for fiscal year 2005, and (~~(\$1,073,000)~~) \$2,057,000
17 of the general fund--federal appropriation are provided solely for
18 expanded community services for persons with developmental disabilities
19 who also have community protection issues (~~(or are diverted or~~
20 ~~discharged from state psychiatric hospitals)~~). Funding in this
21 subsection shall be prioritized for (i) clients being diverted or
22 discharged from the state psychiatric hospitals; (ii) clients
23 participating in the dangerous mentally ill offender program; (iii)
24 clients participating in the community protection program; and (iv)
25 mental health crisis diversion outplacements. The department shall
26 ensure that the average cost per day for all program services other
27 than start-up costs shall not exceed \$300. In order to maximize the
28 number of clients served and ensure the cost-effectiveness of the
29 waiver programs, the department will strive to limit new client
30 placement expenditures to 90 percent of the budgeted daily rate. If
31 this can be accomplished, additional clients may be served with excess
32 funds provided the total projected carry-forward expenditures do not
33 exceed the amounts estimated. The department shall electronically
34 report to the appropriate committees of the legislature, within 45 days
35 following each fiscal year quarter, the number of persons served with
36 these additional community services, where they were residing, what
37 kinds of services they were receiving prior to placement, and the

1 actual expenditures for all community services to support these
2 clients.

3 (e) The department shall provide a status report on the transition,
4 implementation, and operation of the four home and community-based
5 waivers which will replace the community alternatives program waiver.
6 The department shall electronically report to the appropriate
7 committees of the legislature, within 45 days following each fiscal
8 year quarter, the following information for each home and community-
9 based waiver: Total projected state and federal fiscal year
10 expenditures, year-to-date actual expenditures compared to projected
11 expenditures, year-to-date unduplicated clients compared to projected
12 clients, actual average per capita costs compared to projected per
13 capita costs, number of transfers between waivers, amount of emergency
14 funds spent to date compared to projected emergency costs, and the
15 year-to-date number of new clients added to a waiver program.

16 (f) The department may transfer funding provided in this subsection
17 to meet the purposes of subsection (2) of this section to the extent
18 that fewer residents of residential habilitation centers choose to move
19 to community placements than was assumed in this appropriation.

20 ((+f)) (g) \$3,290,000 of the general fund--state appropriation for
21 fiscal year 2004, \$4,773,000 of the general fund--state appropriation
22 for fiscal year 2005, and \$7,504,000 of the general fund--federal
23 appropriation are provided solely for the purpose of providing a wage
24 increase effective October 1, 2003, for individual home care workers
25 providing state-funded services. The amounts in this subsection also
26 include the funds needed for the employer share of unemployment and
27 social security taxes on the amount of the increase.

28 ((+g)) (h) \$355,000 of the general fund--state appropriation for
29 fiscal year 2004, ((~~\$517,000~~)) \$780,000 of the general fund--state
30 appropriation for fiscal year 2005, and ((~~\$848,000~~)) \$1,092,000 of the
31 general fund--federal appropriation are provided solely to increase
32 payments to agency home care providers from \$13.44 per hour to \$14.27
33 per hour effective October 1, 2003, and to \$14.83 per hour effective
34 October 1, 2004. The amounts in this subsection shall be used to
35 increase ((wages)) compensation for direct care workers by 75 cents per
36 hour on October 1, 2003, and by an additional 50 cents per hour on
37 October 1, 2004. The amounts in this subsection also include the funds

1 needed for the employer share of unemployment and social security taxes
2 on the amount of the increase.

3 (i) \$1,000,000 of the general fund--state appropriation for fiscal
4 year 2005 is provided solely for employment and day services. Priority
5 consideration for this new funding shall be young adults with
6 developmental disabilities living with their family who need employment
7 opportunities and assistance after high school graduation. Federal
8 funds may be used to enhance this funding only to the extent that a
9 client is already on a home and community-based waiver. This funding
10 shall not be used to add new clients to a home and community-based
11 waiver.

12 (2) INSTITUTIONAL SERVICES

13	General Fund--State Appropriation (FY 2004)	((\$71,862,000))
14		<u>\$67,708,000</u>
15	General Fund--State Appropriation (FY 2005)	((\$70,926,000))
16		<u>\$70,794,000</u>
17	General Fund--Federal Appropriation	((\$144,682,000))
18		<u>\$148,998,000</u>
19	General Fund--Private/Local Appropriation	\$11,228,000
20	TOTAL APPROPRIATION	((\$298,698,000))
21		<u>\$298,728,000</u>

22 The appropriations in this subsection are subject to the following
23 conditions and limitations: The department may transfer funding
24 provided in this subsection to meet the purposes of subsection (1) of
25 this section to the extent that more residents of residential
26 habilitation centers choose to move to community placements than was
27 assumed in this appropriation.

28 (3) PROGRAM SUPPORT

29	General Fund--State Appropriation (FY 2004)	((\$2,245,000))
30		<u>\$2,474,000</u>
31	General Fund--State Appropriation (FY 2005)	((\$2,245,000))
32		<u>\$3,208,000</u>
33	General Fund--Federal Appropriation	((\$2,965,000))
34		<u>\$4,209,000</u>
35	Telecommunications Devices for the Hearing and	
36	Speech Impaired Account Appropriation	((\$1,782,000))
37		<u>\$891,000</u>

1 TOTAL APPROPRIATION ((~~\$9,237,000~~))
2 \$10,782,000

3 The appropriations in this subsection are subject to the following
4 conditions and limitations: \$245,000 of the general fund--state
5 appropriation for fiscal year 2004, \$996,000 of the general fund--state
6 appropriation for fiscal year 2005, and \$1,258,000 of the general
7 fund--federal appropriation are provided solely for the purpose of
8 developing and implementing a consistent needs assessment instrument
9 for use on all clients with developmental disabilities. In developing
10 the instrument, the department shall develop a process for collecting
11 data on family income for minor children with developmental
12 disabilities who are clients of the department and shall ensure that
13 this information is captured as part of the client assessment process.

14 (4) SPECIAL PROJECTS

15 General Fund--Federal Appropriation ((~~\$11,993,000~~))
16 \$13,604,000

17 **Sec. 206.** 2003 1st sp.s. c 25 s 206 (uncodified) is amended to
18 read as follows:

19 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--AGING AND ADULT**
20 **SERVICES PROGRAM**

21 General Fund--State Appropriation (FY 2004) ((~~\$557,645,000~~))
22 \$524,349,000
23 General Fund--State Appropriation (FY 2005) ((~~\$570,669,000~~))
24 \$591,248,000
25 General Fund--Federal Appropriation ((~~\$1,162,511,000~~))
26 \$1,200,279,000
27 General Fund--Private/Local Appropriation ((~~\$18,644,000~~))
28 \$18,697,000

29 Health Services Account--State

30 Appropriation \$4,888,000

31 TOTAL APPROPRIATION ((~~\$2,314,357,000~~))
32 \$2,339,461,000

33 The appropriations in this section are subject to the following
34 conditions and limitations:

35 (1) The entire health services account appropriation, \$1,476,000 of
36 the general fund--state appropriation for fiscal year 2004,

1 (~~(\$1,476,000)~~) \$484,000 of the general fund--state appropriation for
2 fiscal year 2005, and (~~(\$7,284,000)~~) \$6,293,000 of the general fund--
3 federal appropriation are provided solely for health care benefits for
4 home care workers who are employed through state contracts for at least
5 twenty hours per week.

6 (a) Premium payments for individual provider home care workers
7 shall be made only to the subsidized basic health plan, and only for
8 persons with incomes below 200 percent of the federal poverty level.

9 (b) Home care agencies may obtain coverage either through the basic
10 health plan or through an alternative plan with substantially
11 equivalent benefits. It is the intent of the legislature to fund the
12 purchase of health care benefits for agency home care providers in a
13 more fiscally prudent manner. The legislature encourages agency
14 providers to purchase more cost-effective health care benefits,
15 including increasing participation in the basic health plan or
16 purchasing substantially equivalent benefits with substantially
17 equivalent costs.

18 (2) \$1,768,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$1,768,000 of the general fund--state appropriation for
20 fiscal year 2005 are provided solely for operation of the volunteer
21 chore services program.

22 (3) For purposes of implementing chapter 74.46 RCW, the weighted
23 average nursing facility payment rate shall be no more than (~~(\$144.54)~~)
24 \$142.04 for fiscal year 2004, and no more than (~~(\$147.43)~~) \$144.93 for
25 fiscal year 2005. For all facilities, the direct care, therapy care,
26 support services, and operations component rates established in
27 accordance with chapter 74.46 RCW shall be adjusted for economic trends
28 and conditions by 3.0 percent effective July 1, 2003.

29 (4) In accordance with chapter 74.46 RCW, the department shall
30 issue certificates of capital authorization that result in up to \$32
31 million of increased asset value completed and ready for occupancy in
32 fiscal year 2004; up to \$32 million of increased asset value completed
33 and ready for occupancy in fiscal year 2005; and up to \$32 million of
34 increased asset value completed and ready for occupancy in fiscal year
35 2006.

36 (5) Adult day health services shall not be considered a duplication
37 of services for persons receiving care in long-term care settings
38 licensed under chapter 18.20, 72.36, or 70.128 RCW.

1 (6) In accordance with chapter 74.39 RCW, the department may
2 implement ((a)) two medicaid waiver programs for persons who do not
3 qualify for such services as categorically needy, subject to federal
4 approval and the following conditions and limitations:

5 (a) ((The)) One waiver program shall include coverage of care in
6 community residential facilities, and the second shall include coverage
7 of home-based services. Enrollment in the waiver covering community
8 residential services shall not exceed 600 persons ((by the end of)) in
9 fiscal year 2004, nor 600 persons ((by the end of)) in fiscal year
10 2005. Enrollment in the waiver covering home-based services shall not
11 exceed 200 persons in fiscal year 2004, nor 200 persons in fiscal year
12 2005.

13 (b) The department shall identify the number of medically needy
14 nursing home residents, and enrollment and expenditures on each of the
15 two medically needy waivers, on monthly management reports.

16 (c) The department shall track and electronically report to health
17 care and fiscal committees of the legislature by November 15, 2004, on
18 the types of long-term care support a sample of waiver participants
19 were receiving prior to their enrollment in the waivers, how those
20 services were being paid for, and an assessment of their adequacy.

21 (7) \$118,000 of the general fund--state appropriation for fiscal
22 year 2004, \$118,000 of the general fund--state appropriation for fiscal
23 year 2005, and \$236,000 of the general fund--federal appropriation are
24 provided solely for the department to assess at least annually each
25 elderly resident residing in residential habilitation centers and
26 state-operated living alternatives to determine if the resident can be
27 more appropriately served in a less restrictive setting.

28 (a) The department shall consider the proximity to the resident of
29 the family, friends, and advocates concerned with the resident's
30 well-being in determining whether the resident should be moved from a
31 residential habilitation center to a different facility or program.

32 (b) In assessing an elderly resident under this section and to
33 ensure appropriate placement, the department shall identify the special
34 needs of the resident, the types of services that will best meet those
35 needs, and the type of facility that will best provide those services.

36 (c) The appropriate interdisciplinary team shall conduct the
37 evaluation.

1 (d) If appropriate, the department shall coordinate with the local
2 mental health authority.

3 (e) The department may explore whether an enhanced rate is needed
4 to serve this population.

5 (8) Within funds appropriated in this section, the department may
6 (~~assess nursing facility residents with Alzheimer's disease or related~~
7 ~~dementias to determine whether such residents can be more appropriately~~
8 ~~served in licensed boarding home facilities that specialize in caring~~
9 ~~for such conditions. The department may, based upon the assessments~~
10 ~~and within existing funds, pay dementia pilot project rates on behalf~~
11 ~~of)) expand the number of boarding home beds participating in the
12 dementia pilot project by up to 200. These additional beds shall
13 provide persons with Alzheimer's disease or related dementias who
14 (~~move from nursing facilities to specialized boarding homes)) might
15 otherwise require nursing home care accommodation in licensed boarding
16 home facilities that specialize in caring for such conditions.~~~~

17 (9) The department shall establish waiting lists to the extent
18 necessary to assure that annual expenditures on the community options
19 program entry systems (COPES) program do not exceed appropriated
20 levels. In establishing and managing any such waiting list, the
21 department shall assure priority access to persons with the greatest
22 unmet needs, as determined by department assessment processes.

23 (10) \$7,102,000 of the general fund--state appropriation for fiscal
24 year 2004, \$10,065,000 of the general fund--state appropriation for
25 fiscal year 2005, and \$17,029,000 of the general fund--federal
26 appropriation are provided solely for the purpose of providing a wage
27 increase effective October 1, 2003, for individual home care workers
28 providing state-funded services. The amounts in this subsection also
29 include the funds needed for the employer share of unemployment and
30 social security taxes on the amount of the increase.

31 (11) \$107,000 of the general fund--state appropriation for fiscal
32 year 2004, \$23,848,000 of the general fund--state appropriation for
33 fiscal year 2005, and \$23,239,000 of the general fund--federal
34 appropriation are provided solely for the purpose of implementing the
35 collective bargaining agreement between the home care quality authority
36 and the exclusive bargaining representative of individual providers.
37 The amounts in this subsection are provided solely to appropriate
38 funding for this purpose in the event that appropriations for this

1 purpose are not enacted in separate legislation. If appropriations for
2 this purpose in amounts equal to or greater than the amounts
3 appropriated in this subsection are enacted in separate legislation
4 prior to April 4, 2004, the amounts provided in this subsection shall
5 lapse. Amounts provided in this subsection may be transferred from the
6 aging and adult services program to other programs within the
7 department or to the home care quality authority to implement the
8 collective bargaining agreement.

9 (12) \$2,219,000 of the general fund--state appropriation for fiscal
10 year 2004, (~~(\$3,192,000)~~) \$4,837,000 of the general fund--state
11 appropriation for fiscal year 2005, and (~~(\$5,263,000)~~) \$6,898,000 of
12 the general fund--federal appropriation are provided solely to increase
13 payments to agency home care providers from \$13.44 per hour to \$14.27
14 per hour effective October 1, 2003, and to \$14.83 per hour effective
15 October 1, 2004. The amounts in this subsection shall be used to
16 increase (~~(wages)~~) compensation for direct care workers by 75 cents per
17 hour on October 1, 2003, and by an additional 50 cents per hour on
18 October 1, 2004. The amounts in this subsection also include the funds
19 needed for the employer share of unemployment and social security taxes
20 on the amount of the increase.

21 (13) \$53,000 of the general fund--local appropriation and \$53,000
22 of the general fund--federal appropriation are provided solely to
23 improve the timeliness of processing boarding home licensing
24 applications.

25 (14) \$500,000 of the general fund--state appropriation for fiscal
26 year 2005 is provided solely for area agencies on aging, or entities
27 with which area agencies on aging contract, to provide support services
28 for kinship caregivers throughout the state.

29 (a) Support services shall include but not be limited to assistance
30 in gaining access to those services, counseling, organization of
31 support groups, and respite care.

32 (b) In providing support services under the kinship caregivers
33 support program, area agencies on aging shall give priority to kinship
34 caregivers who are at the greatest risk of being unable to maintain the
35 caregiving role.

36 (c) In carrying out the kinship caregivers support program, each
37 area agency on aging shall coordinate the activities of the agency, or

1 entities with which the agency contracts, with the activities of other
2 public and private agencies or organizations providing similar services
3 for kinship caregivers.

4 **Sec. 207.** 2003 1st sp.s. c 25 s 207 (uncodified) is amended to
5 read as follows:

6 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES**
7 **PROGRAM**

8	General Fund--State Appropriation (FY 2004)	((\$408,184,000))
9		<u>\$445,968,000</u>
10	General Fund--State Appropriation (FY 2005)	((\$407,363,000))
11		<u>\$438,823,000</u>
12	General Fund--Federal Appropriation	((\$1,209,758,000))
13		<u>\$1,207,983,000</u>
14	General Fund--Private/Local Appropriation	\$33,880,000
15	TOTAL APPROPRIATION	((\$2,059,185,000))
16		<u>\$2,126,654,000</u>

17 The appropriations in this section are subject to the following
18 conditions and limitations:

19 (1) \$273,652,000 of the general fund--state appropriation for
20 fiscal year 2004, \$273,695,000 of the general fund--state appropriation
21 for fiscal year 2005, and \$1,000,222,000 of the general fund--federal
22 appropriation are provided solely for all components of the WorkFirst
23 program. Within the amounts provided for the WorkFirst program, the
24 department shall:

25 (a) Continue to implement WorkFirst program improvements that are
26 designed to achieve progress against outcome measures specified in RCW
27 74.08A.410. Valid outcome measures of job retention and wage
28 progression shall be developed and reported quarterly to appropriate
29 fiscal and policy committees of the legislature for families who leave
30 assistance, measured after 12 months, 24 months, and 36 months. The
31 department shall also report the percentage of families who have
32 returned to temporary assistance for needy families after 12 months, 24
33 months, and 36 months;

34 (b) Submit a report by October 1, 2003, to the fiscal committees of
35 the legislature containing a spending plan for the WorkFirst program.
36 The plan shall identify how spending levels in the 2003-2005 biennium

1 will be adjusted to stay within available federal grant levels and the
2 appropriated state-fund levels; and

3 (c) Include an urban adjustment factor for child care providers in
4 urban areas of region 1.

5 (2) (~~(\$45,639,000)~~) \$57,547,000 of the general fund--state
6 appropriation for fiscal year 2004 and (~~(\$39,335,000)~~) \$59,953,000 of
7 the general fund--state appropriation for fiscal year 2005 are provided
8 solely for cash assistance and other services to recipients in the
9 general assistance--unemployable program. Within these amounts, the
10 department may expend funds for services that assist recipients to
11 reduce their dependence on public assistance, provided that
12 expenditures for these services and cash assistance do not exceed the
13 funds provided.

14 (3) (~~(\$1,436,000)~~) \$936,000 of the general fund--state
15 appropriation for fiscal year 2004 and (~~(\$1,436,000)~~) \$936,000 of the
16 general fund--state appropriation for fiscal year 2005 are provided for
17 the department to assist in naturalization efforts for legal aliens
18 whose eligibility for federal supplemental security income has expired.
19 The department shall use funding previously spent on general assistance
20 employment supports for these naturalization services.

21 (4) \$3,940,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$3,940,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely for the food assistance program
24 for legal immigrants. The level of benefits shall be equivalent to the
25 benefits provided by the federal food stamp program.

26 (5) \$9,142,000 of the general fund--federal appropriation is
27 provided solely for increased reimbursement of county legal-clerk
28 services for child support enforcement. The department shall ensure
29 this increase in cost does not reduce federal incentive payments.

30 (6) In reviewing the budget for the division of child support, the
31 legislature has conducted a review of the Washington state child
32 support schedule, chapter 26.19 RCW, and supporting documentation as
33 required by federal law. The legislature concludes that the
34 application of the support schedule continues to result in the correct
35 amount of child support to be awarded. No further changes will be made
36 to the support schedule or the economic table at this time.

37 (7) \$1,000,000 of the general fund--state appropriation for fiscal
38 year 2005 is provided solely to implement, within funds appropriated in

1 this subsection, a child care career and wage ladder program. The
2 child care career and wage ladder shall provide increased wages for
3 child care workers based on their work experience, level of
4 responsibility, and education. To the extent practicable within
5 available funds, the program shall be modeled after the child care
6 career and wage ladder program in place from 2000 to 2003. Licensed
7 child care centers may only be eligible if they meet the following
8 criteria: (a) At least ten percent of child care slots are dedicated
9 to children whose care is subsidized by the state or any political
10 subdivision thereof or any local government; (b) agree to adopt the
11 child care career and wage ladder; and (c) meet further program
12 standards as established by rule. Because available funds may not be
13 sufficient to allow all qualifying child care centers to participate,
14 the department shall develop a system for prioritizing child care
15 centers interested in adopting the child care career and wage ladder.

16 (8) \$900,000 of the general fund--state appropriation for fiscal
17 year 2005 is provided solely for a subsidy rate increase for child care
18 providers in urban areas of region 1.

19 (9) \$2,000,000 of the general fund--state appropriation for fiscal
20 year 2005 is provided solely for the department to maintain specialized
21 employment services through the WorkFirst/LEP pathway program for
22 refugees and other limited-English-proficient (LEP) families and
23 individuals that receive temporary assistance for needy families, state
24 family assistance, or refugee cash assistance benefits. These
25 employment services include but are not limited to English as a second
26 language (ESL), job placement assistance, and work support services.

27 (10) The department shall request a waiver of the interview
28 requirement for all basic food applications completed by basic food
29 outreach contractors. If the department is not granted a federal
30 waiver by January 1, 2005, the food bank outreach pilot program is
31 created as set forth in this subsection: The department shall select
32 six food banks at which to conduct the food bank outreach pilot
33 program. Three of the food banks shall be located in eastern
34 Washington, and three shall be located in western Washington. A
35 departmental intake worker shall be available at least one time per
36 week at each of the participating food banks in order to assist food
37 bank clients with applications for the basic food program. The

1 department shall implement the food bank outreach pilot program no
2 later than January 1, 2005.

4 **Sec. 208.** 2003 1st sp.s. c 25 s 208 (uncodified) is amended to
5 read as follows:

6 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND SUBSTANCE**
7 **ABUSE PROGRAM**

8	General Fund--State Appropriation (FY 2004)	((\$40,320,000))
9		<u>\$40,429,000</u>
10	General Fund--State Appropriation (FY 2005)	((\$40,320,000))
11		<u>\$42,151,000</u>
12	General Fund--Federal Appropriation	((\$90,632,000))
13		<u>\$94,105,000</u>
14	General Fund--Private/Local Appropriation	\$630,000
15	Public Safety and Education Account--State	
16	Appropriation	((\$7,160,000))
17		<u>\$2,060,000</u>
18	<u>Problem Gambling Treatment Account--State</u>	
19	<u>Appropriation</u>	<u>\$500,000</u>
20	Criminal Justice Treatment Account--State	
21	Appropriation	\$8,950,000
22	Violence Reduction and Drug Enforcement Account--	
23	State Appropriation	((\$44,342,000))
24		<u>\$48,242,000</u>
25	TOTAL APPROPRIATION	((\$232,354,000))
26		<u>\$237,067,000</u>

27 The appropriations in this section are subject to the following
28 conditions and limitations:

29 (1) \$966,197 of the general fund--state appropriation for fiscal
30 year 2004 and \$966,197 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for the parent child assistance
32 program. The department shall contract with the University of
33 Washington and community-based providers in Spokane and Yakima for the
34 provision of this program. For all contractors, indirect charges for
35 administering the program shall not exceed ten percent of the total
36 contract amount.

1 Holocaust survivors of insurance proceeds or other assets, as defined
2 in RCW 48.104.030.

3 (4) (~~(\$999,000)~~) \$493,000 of the health services account
4 appropriation for fiscal year 2004, (~~(\$1,519,000)~~) \$748,000 of the
5 health services account appropriation for fiscal year 2005, and
6 (~~(\$2,142,000)~~) \$1,241,000 of the general fund--federal appropriation
7 are provided solely for implementation of a "ticket to work" medicaid
8 buy-in program for working persons with disabilities, operated in
9 accordance with the following conditions:

10 (a) To be eligible, a working person with a disability must have
11 total income which is less than 450 percent of poverty;

12 (b) Participants shall participate in the cost of the program by
13 paying (i) a monthly enrollment fee equal to fifty percent of any
14 unearned income in excess of the medicaid medically needy standard; and
15 (ii) a monthly premium equal to 5 percent of all unearned income, plus
16 5 percent of all earned income after disregarding the first sixty-five
17 dollars of monthly earnings, and half the remainder;

18 (c) The department shall establish more restrictive eligibility
19 standards than specified in this subsection to the extent necessary to
20 operate the program within appropriated funds; and

21 (d) The department may require point-of-service copayments as
22 appropriate, except that copayments shall not be so high as to
23 discourage appropriate service utilization, particularly of
24 prescription drugs needed for the treatment of psychiatric conditions.

25 (5) Sufficient funds are appropriated in this section for the
26 department to continue podiatry services for medicaid-eligible adults.

27 (6) Sufficient funds are appropriated in this section for the
28 department to provide an adult dental benefit equivalent to
29 approximately 75 percent of the dental benefit provided during the
30 2001-03 biennium. The department shall establish the scope of services
31 to be provided within the available funds in consultation with dental
32 providers and consumer representatives.

33 (7) The legislature reaffirms that it is in the state's interest
34 for Harborview medical center to remain an economically viable
35 component of the state's health care system.

36 (8) In accordance with RCW 74.46.625, (~~(\$52,057,000)~~) \$35,952,000
37 of the fiscal year 2004 health services account appropriation,
38 (~~(\$35,016,000)~~) \$20,577,000 of the fiscal year 2005 health services

1 account appropriation, and (~~(\$87,074,000)~~) \$61,038,000 of the general
2 fund--federal appropriation are provided solely for supplemental
3 payments to nursing homes operated by rural public hospital districts.
4 The payments shall be conditioned upon (a) a contractual commitment by
5 the association of public hospital districts and participating rural
6 public hospital districts to make an intergovernmental transfer to the
7 state treasurer, for deposit into the health services account, equal to
8 at least (~~(94.5)~~) 91.8 percent of the supplemental payments; (b) a
9 contractual commitment by the association of public hospital districts
10 to return at least (~~(5.5)~~) 8.2 percent of the supplemental payments to
11 the participating rural hospital districts; and (c) a contractual
12 commitment by the participating districts to not allow expenditures
13 covered by the supplemental payments to be used for medicaid nursing
14 home rate setting. A hospital which does not participate in the
15 supplemental payment intergovernmental transfer budgeted for fiscal
16 year 2003 shall not be eligible to participate in the supplemental
17 payments budgeted in this subsection for fiscal years 2004 and 2005.
18 The participating districts shall retain no more than a total of
19 \$9,600,000 for the 2003-05 biennium.

20 (9) (~~(\$14,616,000)~~) \$12,318,000 of the health services account
21 appropriation for fiscal year 2004, (~~(\$12,394,000)~~) \$10,738,000 of the
22 health services account appropriation for fiscal year 2005, and
23 (~~(\$27,010,000)~~) \$23,056,000 of the general fund--federal appropriation
24 are provided solely for additional disproportionate share and medicare
25 upper payment limit payments to public hospital districts and to the
26 state's teaching hospitals. The payments shall be conditioned upon a
27 contractual commitment by the participating public hospitals to make an
28 intergovernmental transfer to the health services account equal to at
29 least 91 percent of the additional payments. The state's teaching
30 hospitals shall retain at least 28 percent of the amounts retained by
31 hospitals under these programs, or the maximum allowable under the
32 teaching hospitals' limits as established under federal rule, whichever
33 is less.

34 (10) \$3,100,000 of the health services account appropriation,
35 (~~(\$8,416,000)~~) \$4,208,000 of the general fund--local appropriation, and
36 (~~(\$11,516,000)~~) \$7,308,000 of the general fund--federal appropriation
37 are provided solely for grants to rural hospitals. The department
38 shall distribute the funds under a formula that provides a relatively

1 larger share of the available funding to hospitals that (a) serve a
2 disproportionate share of low-income and medically indigent patients
3 and (b) have relatively smaller net financial margins, to the extent
4 allowed by the federal medicaid program.

5 (11) \$10,000,000 of the general fund--state appropriation for
6 fiscal year 2005, \$26,080,000 of the health services account
7 appropriation, and \$26,080,000 of the general fund--federal
8 appropriation are provided solely for grants to nonrural hospitals.
9 The department shall distribute the funds under a formula that provides
10 a relatively larger share of the available funding to hospitals that
11 (a) serve a disproportionate share of low-income and medically indigent
12 patients and (b) have relatively smaller net financial margins, to the
13 extent allowed by the federal medicaid program.

14 ~~((13) \$156,000))~~ (12) \$302,000 of the general fund--state
15 appropriation for fiscal year 2004, \$1,671,000 of the general fund--
16 state appropriation for fiscal year 2005, and ~~((1,403,000))~~
17 \$17,757,000 of the general fund--federal appropriation are provided
18 solely for ~~((a study to assess alternatives for replacing the existing~~
19 ~~medicaid management information system. The department shall report to~~
20 ~~the information services board and to the fiscal committees of the~~
21 ~~legislature by December 1, 2003, on the anticipated costs and benefits~~
22 ~~of the major alternative approaches))~~ development and implementation of
23 a replacement system for the existing medicaid management information
24 system.

25 ~~((14))~~ (13) The department shall implement a combination of cost
26 containment and utilization strategies sufficient to reduce general
27 fund--state costs for durable medical equipment and supplies in fiscal
28 year 2005 by approximately 5 percent below the level projected for
29 fiscal year 2005 in the February 2003 forecast. In designing
30 strategies, the primary strategy considered shall be selective or
31 direct contracting with durable medical equipment and supplies vendors
32 or manufacturers.

33 ~~((15))~~ (14) The department shall, within available resources,
34 design and implement a medical care services care management pilot
35 project for clients receiving general assistance benefits. The pilot
36 project shall be operated in at least two of the counties with the
37 highest concentration of general assistance clients, and may use a full
38 or partial capitation model. In designing the project, the department

1 shall consult with the mental health division and its managed care
2 contractors that include community and migrant health centers in their
3 provider network. The pilot project shall be designed to maximize care
4 coordination, high-risk medical management, and chronic care management
5 to achieve better health outcomes. The pilot project shall begin
6 enrollment on July 1, 2004.

7 ~~((+16+))~~ (15) Within available resources and to the extent
8 possible, the department shall evaluate and pilot a nurse consultant
9 services program to assist fee-for-service clients in accessing medical
10 information, with the goal of reducing administrative burdens on
11 physicians and unnecessary emergency room utilization.

12 ~~((+17+))~~ (16) The department shall include in any pending medicaid
13 reform section 1115 waiver application, or in any existing section 1115
14 waiver, a request for authorization to provide optional medicaid
15 services that have been eliminated in this act to American Indian and
16 Alaska Native persons as defined in relevant federal law who are
17 eligible for medicaid only to the extent that such services are
18 provided through the American Indian health system and are financed
19 with one hundred percent federal medicaid matching funds.

20 ~~((+18+))~~ (17) The department shall establish managed care rates
21 within available funds, giving specific consideration to each plan's
22 programmatic and financial performance, and ability to assure access in
23 under-served areas.

24 ~~((+19+))~~ (18) The department of social and health services, the
25 office of the superintendent of public instruction, and the department
26 of health should jointly identify opportunities for early intervention
27 and prevention activities that can help prevent disease and reduce oral
28 health issues among children. Disease prevention among infants at the
29 age of one year and among children entering the K-12 education system
30 provides cost-effective ways to avoid higher health care spending later
31 in life.

32 ~~((+20+))~~ (19) The department shall secure a federal waiver,
33 effective no later than September 1, 2003, which will enable it to
34 charge co-premiums for medical and dental coverage of children whose
35 family incomes exceed the federal poverty level.

36 ~~((+21+))~~ (20) For purposes of RCW 74.09.800(2), ~~((\$9,549,000))~~
37 \$8,017,000 of the general fund--state appropriation for fiscal year
38 2004, ~~((\$10,779,000))~~ \$8,454,000 of the general fund--state

1 appropriation for fiscal year 2005, and (~~(\$37,753,000)~~) \$30,588,000 of
 2 the general fund--federal appropriation are provided solely to provide
 3 prenatal care services to low-income women who are not eligible to
 4 receive such services under the medical assistance program, Title XIX
 5 of the federal social security act. If the department is unable to
 6 secure federal matching funds under Title XXI of the social security
 7 act, the department shall take all actions necessary to manage the
 8 program within these appropriated levels.

9 (21) \$20,279,000 of the health services account appropriation for
 10 fiscal year 2004, \$16,430,000 of the health services account for fiscal
 11 year 2005, and \$36,709,000 of the general fund--federal appropriation
 12 are provided solely for additional disproportionate share hospital
 13 payments to public hospital districts. The payments shall be
 14 conditioned upon a contractual commitment by the participating public
 15 hospital districts to make an intergovernmental transfer to the health
 16 services account equal to at least 91 percent of the additional
 17 disproportionate share payment. The participating districts shall
 18 retain no more than \$6,600,000 of the additional disproportionate share
 19 payment.

20 **Sec. 210.** 2003 1st sp.s. c 25 s 210 (uncodified) is amended to
 21 read as follows:

22 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--VOCATIONAL**
 23 **REHABILITATION PROGRAM**

24	General Fund--State Appropriation (FY 2004)	((\$10,180,000))
25		<u>\$10,172,000</u>
26	General Fund--State Appropriation (FY 2005)	((\$10,202,000))
27		<u>\$10,191,000</u>
28	General Fund--Federal Appropriation	((\$85,803,000))
29		<u>\$85,804,000</u>
30	General Fund--Local Appropriation	\$440,000
31	<u>Telecommunication Devices for the Hearing and</u>	
32	<u>Speech Impaired Account Appropriation</u>	<u>\$891,000</u>
33	TOTAL APPROPRIATION	((\$106,625,000))
34		<u>\$107,498,000</u>

35 **Sec. 211.** 2003 1st sp.s. c 25 s 211 (uncodified) is amended to
 36 read as follows:

1	FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ADMINISTRATION AND	
2	SUPPORTING SERVICES PROGRAM	
3	General Fund--State Appropriation (FY 2004)	((\$35,926,000))
4		<u>\$37,620,000</u>
5	General Fund--State Appropriation (FY 2005)	((\$25,968,000))
6		<u>\$28,824,000</u>
7	General Fund--Federal Appropriation	((\$45,752,000))
8		<u>\$52,021,000</u>
9	General Fund--Private/Local Appropriation	\$810,000
10	<u>Public Safety and Education Account--State</u>	
11	<u>Appropriation</u>	<u>\$2,444,000</u>
12	<u>Violence Reduction and Drug Enforcement Account--State</u>	
13	<u>Appropriation</u>	<u>\$4,152,000</u>
14	<u>Domestic Violence Prevention Account--State</u>	
15	<u>Appropriation</u>	<u>\$395,000</u>
16	TOTAL APPROPRIATION	((\$108,456,000))
17		<u>\$126,266,000</u>

18 The appropriations in this section are subject to the following
19 conditions and limitations:

20 (1) \$467,000 of the general fund--state appropriation for fiscal
21 year 2004, \$769,000 of the general fund--state appropriation for fiscal
22 year 2005, and \$1,236,000 of the general fund--federal appropriation
23 are provided solely for transition costs associated with the downsizing
24 effort at Fircrest school. The department shall organize the
25 downsizing effort so as to minimize disruption to clients, employees,
26 and the developmental disabilities program. The employees responsible
27 for the downsizing effort shall report to the assistant secretary of
28 the aging and disability services administration. Within the funds
29 provided in this subsection, the department shall:

30 (a) Determine appropriate ways to maximize federal reimbursement
31 during the downsizing process;

32 (b) Meet and confer with representatives of affected employees on
33 how to assist employees who need help to relocate to other state jobs
34 or to transition to private sector positions;

35 (c) Review opportunities for state employees to continue caring for
36 clients by assisting them in developing privately operated community
37 residential alternatives. In conducting the review, the department

1 will examine efforts in this area pursued by other states as part of
2 institutional downsizing efforts;

3 (d) Keep appropriate committees of the legislature apprised,
4 through regular reports and periodic e-mail updates, of the development
5 of and revisions to the work plan regarding this downsizing effort; and

6 (e) Provide a preliminary transition plan to the fiscal and policy
7 committees of the legislature by January 1, 2004. The transition plan
8 shall include recommendations on ways to continue to provide some of
9 the licensed professional services offered at Fircrest school to
10 clients being served in community settings.

11 (2) \$10,000,000 of the general fund--state appropriation for fiscal
12 year 2004 is provided solely for one-time expenditures needed to meet
13 the federally required level for state supplemental payments (SSP).
14 The department shall transfer appropriate portions of this amount to
15 other programs within the agency to accomplish this purpose. The
16 department shall not initiate new services with this funding that will
17 cause total future SSP expenditures to exceed the required annual
18 maintenance-of-effort level.

19 (3) \$100,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$100,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for a contract for expanded
22 services of the teamchild project.

23 (4) \$900,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$900,000 of the general fund--state appropriation for
25 fiscal year 2005 are provided solely for the continued implementation
26 of the juvenile violence prevention grant program established in
27 section 204, chapter 309, Laws of 1999.

28 (5) The entire domestic violence prevention account--state
29 appropriation is provided solely to implement Engrossed Second
30 Substitute House Bill No. 2481 (marriage license fees). If the bill is
31 not enacted by June 30, 2004, the amount provided in this subsection
32 shall lapse.

33 (6) If, by June 1, 2004, the department has not completed the
34 computer system updates required to implement RCW 41.56.113, the
35 department is subject to penalties as described in this subsection.
36 For each day after May 31, 2004, that the department fails to make the
37 deductions required by RCW 41.56.113(2)(a) as per the agreement entered
38 into by the department pursuant to RCW 41.56.113(3)(a), \$2,500 of the

1 general fund--state appropriation for fiscal year 2005 and \$2,500 of
2 the general fund--federal appropriation provided in this section shall
3 lapse.

4 **Sec. 212.** 2003 1st sp.s. c 25 s 212 (uncodified) is amended to
5 read as follows:

6 **FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--PAYMENTS TO OTHER**
7 **AGENCIES PROGRAM**

8	General Fund--State Appropriation (FY 2004)	((\$42,011,000))
9		<u>\$43,454,000</u>
10	General Fund--State Appropriation (FY 2005)	((\$42,011,000))
11		<u>\$43,493,000</u>
12	General Fund--Federal Appropriation	((\$41,994,000))
13		<u>\$43,321,000</u>
14	TOTAL APPROPRIATION	((\$126,016,000))
15		<u>\$130,268,000</u>

16 **Sec. 213.** 2003 1st sp.s. c 25 s 213 (uncodified) is amended to
17 read as follows:

18 **FOR THE STATE HEALTH CARE AUTHORITY**

19	State Health Care Authority Administrative	
20	Account--State Appropriation	((\$17,665,000))
21		<u>\$18,942,000</u>
22	Health Services Account--State Appropriation	((\$415,459,000))
23		<u>\$416,085,000</u>
24	<u>General Fund--State Appropriation (FY 2005)</u>	<u>\$5,050,000</u>
25	General Fund--Federal Appropriation	((\$3,307,000))
26		<u>\$3,875,000</u>
27	Medical Aid Account--State Appropriation	((\$128,000))
28		<u>\$213,000</u>
29	TOTAL APPROPRIATION	((\$436,559,000))
30		<u>\$444,165,000</u>

31 The appropriations in this section are subject to the following
32 conditions and limitations:

- 33 (1) \$5,000,000 of the general fund--state appropriation is provided
34 solely to increase funding for health care services provided through
35 local community clinics.

1 (2) \$6,000,000 of the health services account--state appropriation
2 is provided solely to increase the number of persons not eligible for
3 medicaid receiving dental care from nonprofit community clinics, and
4 for interpreter services to support dental and medical services for
5 persons for whom interpreters are not available from any other source.

6 (~~(+2)~~) (3) \$50,000 of the general fund--state appropriation is
7 provided solely to support the operation of an innovative clinic model
8 for the delivery of health services to uninsured or publicly insured
9 persons that is located in an urban underserved area and operated as a
10 department or subsidiary of a hospital located in that underserved
11 area; has been in operation for fewer than six months as of the
12 effective date of this act; utilizes an innovative service delivery
13 model that relies upon midlevel practitioners, volunteers, and students
14 enrolled in health education programs and offers group visits for
15 common conditions; and has a sliding fee schedule that assumes that
16 every patient of the clinic will make some contribution towards the
17 cost of his or her care.

18 (4) In order to maximize the number of enrollees who can be
19 supported within appropriated amounts, the health care authority is
20 directed to make modifications that will reduce the actuarial value of
21 the basic health plan benefit by approximately 18 percent effective
22 January 1, 2004. Modifications may include changes in enrollee premium
23 obligations, enrollee cost-sharing, benefits, and incentives to access
24 preventative services. To the extent that additional actions are
25 needed in order to operate within appropriated funds, new enrollments
26 to the program shall be limited in a manner consistent with the
27 authority's September 6, 2001, administrative policy on basic health
28 plan enrollment management.

29 (~~(+3)~~) (5) Within funds appropriated in this section and sections
30 205 and 206 of this act, the health care authority shall continue to
31 provide an enhanced basic health plan subsidy for foster parents
32 licensed under chapter 74.15 RCW and workers in state-funded home care
33 programs. Under this enhanced subsidy option, foster parents and home
34 care workers with family incomes below 200 percent of the federal
35 poverty level shall be allowed to enroll in the basic health plan at
36 the minimum premium amount charged to enrollees with incomes below
37 sixty-five percent of the federal poverty level.

1 (~~(4)~~) (6) The health care authority shall require organizations
2 and individuals which are paid to deliver basic health plan services
3 and which choose to sponsor enrollment in the subsidized basic health
4 plan to pay 133 percent of the premium amount which would otherwise be
5 due from the sponsored enrollees.

6 (~~(5)~~) (7) The administrator shall take at least the following
7 actions to assure that persons participating in the basic health plan
8 are eligible for the level of assistance they receive: (a) Require
9 submission of income tax returns, and recent pay history, from all
10 applicants; (b) check employment security payroll records at least once
11 every twelve months on all enrollees; (c) require enrollees whose
12 income as indicated by payroll records exceeds that upon which their
13 subsidy is based to document their current income as a condition of
14 continued eligibility; (d) require enrollees for whom employment
15 security payroll records cannot be obtained to document their current
16 income at least once every six months; (e) not reduce gross family
17 income for self-employed persons by noncash-flow expenses such as, but
18 not limited to, depreciation, amortization, and home office deductions,
19 as defined by the United States internal revenue service; and (f)
20 pursue repayment and civil penalties from persons who have received
21 excessive subsidies, as provided in RCW 70.47.060(9).

22 (~~(6)~~) (8) To decrease administrative burdens for providers and
23 plans participating in state purchased health care programs, the
24 administrator, the assistant secretary for the medical assistance
25 administration of the department of social and health services, and the
26 director of the department of labor and industries, in collaboration
27 with health carriers, health care providers, and the office of the
28 insurance commissioner shall, within available resources:

29 (a) Improve the timeliness of claims processing and the
30 distribution of medical assistance program fee schedules, and more
31 clearly define the scope of coverage under managed care contracts;

32 (b) Improve the capacity for electronic billing and claims
33 submission and provide electronic access to eligibility, benefits, and
34 exclusion information;

35 (c) Develop clear audit and data requirements for contracting
36 managed health care plans and improve consistency between claims
37 processing and published fee schedules;

1 (d) Conform billing codes with providers and between agencies with
2 national and regional standards wherever possible; and

3 (e) Take steps to implement cost-effective measures pursuant to
4 this section by December 2004, and on or before December 1, 2003,
5 provide a progress report to the relevant policy and fiscal committees
6 of the legislature on the feasibility of implementation and any fiscal
7 constraints or regulatory or statutory barriers.

8 (9) \$145,000 of the health services account--state appropriation is
9 provided solely to implement House Bill No. 2469 (Canadian prescription
10 drug purchasing). If the bill is not enacted by June 30, 2004, the
11 amount provided in this subsection shall lapse.

12 (10) \$150,000 of the health services account--state appropriation
13 is provided for fiscal year 2005 solely to conduct a study and prepare
14 recommendations to the legislature related to health care financing,
15 cost containment, and quality improvement in the state's health care
16 system. The report and recommendations must be submitted to the
17 governor and appropriate committees of the legislature by October 1,
18 2005.

19 (a) The study shall be conducted jointly by the administrator, the
20 department of health, and the state board of health. An advisory
21 committee shall be established that includes representatives of at
22 least the following individuals or entities: Business; labor
23 organizations; consumers, including people with disabilities;
24 communities of color; health care providers and facilities; health
25 insurance carriers; academic or health care research institutions;
26 health care ethicists; the department of social and health services;
27 and the department of labor and industries. The committee shall be
28 actively consulted with in conducting the study and preparing
29 recommendations.

30 (b) The following issues shall be examined and addressed in the
31 study and recommendations:

32 (i) Assessing Washington state's health care needs and available
33 resources. In assessing health care needs, improving health status and
34 health outcomes for residents of Washington state should be the primary
35 focus;

36 (ii) The impacts of the employer-based health insurance system upon
37 the availability and affordability of health insurance coverage in

1 Washington state. The impacts to be considered include but are not
2 limited to:

3 (A) Trends in employer sponsored health insurance coverage among
4 large and small employers, including an assessment of the impact of the
5 failure of some large employers to provide health insurance coverage to
6 their workers on the competitive environment between employers that do
7 provide coverage and those that do not;

8 (B) The appropriate role of medical assistance programs, the state
9 childrens health insurance program, and the basic health plan as a
10 source of health care coverage for low-wage workers whose employers do
11 not offer health insurance coverage, and the fiscal impact of that
12 coverage upon the state;

13 (iii) Containing the cost of health care coverage;

14 (iv) Improving the quality and effectiveness of the health care
15 system through increased focus upon evidence-based medicine, proven
16 preventive health services, management of chronic disease,
17 implementation of proven patient safety strategies, and other
18 appropriate mechanisms;

19 (v) Decreasing health disparities between racial and ethnic groups;

20 (vi) Increasing the transparency of health care costs and the
21 relative efficiency with which care is delivered; and

22 (vii) Consolidation of existing state programs to achieve
23 efficiencies where possible.

24 (c) To provide more information related to the role of state funded
25 health insurance programs in covering low-wage workers, the
26 administrator, in consultation with the department of social and health
27 services, shall provide a report to the legislature by February 1,
28 2005, on employers whose employees are receiving benefits through the
29 basic health plan or medical assistance for themselves or their
30 dependents. The report must include information on the size of the
31 employers, the number of employees who are receiving benefits through
32 the basic health plan or medical assistance; the number of enrollees
33 who are spouses or dependents of their employees; whether the employers
34 offer health benefits to their employees; and the cost to the state of
35 providing basic health plan or medical assistance for their employees
36 and enrolled dependents.

1 **Sec. 215.** 2003 1st sp.s. c 25 s 217 (uncodified) is amended to
2 read as follows:

3 **FOR THE DEPARTMENT OF LABOR AND INDUSTRIES**

4	General Fund--State Appropriation (FY 2004)	\$5,863,000
5	General Fund--State Appropriation (FY 2005)	((\$5,860,000))
6		<u>\$6,437,000</u>
7	Public Safety and Education Account--State	
8	Appropriation	\$22,391,000
9	Public Safety and Education Account--Federal	
10	Appropriation	\$8,462,000
11	Asbestos Account--State Appropriation	((\$693,000))
12		<u>\$717,000</u>
13	Electrical License Account--State	
14	Appropriation	((\$28,966,000))
15		<u>\$29,589,000</u>
16	Farm Labor Revolving Account--Private/Local	
17	Appropriation	\$28,000
18	Worker and Community Right-to-Know Account--State	
19	Appropriation	((\$2,544,000))
20		<u>\$2,557,000</u>
21	Public Works Administration Account--State	
22	Appropriation	((\$2,411,000))
23		<u>\$2,477,000</u>
24	Accident Account--State Appropriation	((\$187,843,000))
25		<u>\$188,181,000</u>
26	Accident Account--Federal Appropriation	\$13,396,000
27	Medical Aid Account--State Appropriation	((\$186,724,000))
28		<u>\$186,408,000</u>
29	Medical Aid Account--Federal Appropriation	\$2,960,000
30	Plumbing Certificate Account--State	
31	Appropriation	((\$1,451,000))
32		<u>\$1,490,000</u>
33	Pressure Systems Safety Account--State	
34	Appropriation	((\$2,807,000))
35		<u>\$2,878,000</u>
36	TOTAL APPROPRIATION	((\$472,399,000))
37		<u>\$473,834,000</u>

1 The appropriations in this section are subject to the following
2 conditions and limitations:

3 ~~((+2))~~ (1) \$90,000 of the electrical license account--state
4 appropriation and \$206,000 of the plumbing certificate account--state
5 appropriation are provided solely to implement Engrossed Substitute
6 Senate Bill No. 5713 (electrical contractors). If the bill is not
7 enacted by June 30, 2003, the amounts provided in this subsection shall
8 lapse.

9 ~~((+3)---\$378,000)~~ (2) \$578,000 of the accident account--state
10 appropriation is provided solely for the purpose of contracting with
11 medical laboratories, health care providers, and other appropriate
12 entities to provide cholinesterase medical monitoring of farm workers
13 who handle cholinesterase-inhibiting pesticides, and to collect and
14 analyze data related to such monitoring.

15 (3) \$453,000 of the accident account--state appropriation is
16 provided solely for the purpose of reimbursing agricultural employers
17 for the costs of training, recordkeeping, and travel related to
18 cholinesterase medical monitoring of farm workers who handle
19 cholinesterase-inhibiting pesticides.

20 **Sec. 216.** 2003 1st sp.s. c 25 s 219 (uncodified) is amended to
21 read as follows:

22 **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

23 (1) HEADQUARTERS

24 General Fund--State Appropriation (FY 2004) (~~(\$1,527,000)~~)
25 \$1,531,000
26 General Fund--State Appropriation (FY 2005) (~~(\$1,528,000)~~)
27 \$1,536,000

28 Charitable, Educational, Penal, and Reformatory
29 Institutions Account--State

30 Appropriation \$11,000
31 TOTAL APPROPRIATION (~~(\$3,066,000)~~)
32 \$3,078,000

33 (2) FIELD SERVICES

34 General Fund--State Appropriation (FY 2004) (~~(\$2,579,000)~~)
35 \$2,588,000
36 General Fund--State Appropriation (FY 2005) (~~(\$2,579,000)~~)
37 \$2,596,000

1	General Fund--Federal Appropriation	\$309,000
2	General Fund--Private/Local Appropriation	\$1,668,000
3	TOTAL APPROPRIATION	(\$7,135,000)
4		<u>\$7,161,000</u>
5	(3) INSTITUTIONAL SERVICES	
6	General Fund--State Appropriation (FY 2004)	(\$7,473,000)
7		<u>\$7,380,000</u>
8	General Fund--State Appropriation (FY 2005)	(\$5,890,000)
9		<u>\$6,020,000</u>
10	General Fund--Federal Appropriation	(\$27,207,000)
11		<u>\$27,365,000</u>
12	General Fund--Private/Local Appropriation	\$27,822,000
13	TOTAL APPROPRIATION	(\$68,392,000)
14		<u>\$68,587,000</u>

15 **Sec. 217.** 2003 1st sp.s. c 25 s 220 (uncodified) is amended to
16 read as follows:

17 **FOR THE HOME CARE QUALITY AUTHORITY**

18	General Fund--State Appropriation (FY 2004)	(\$412,000)
19		<u>\$360,000</u>
20	General Fund--State Appropriation (FY 2005)	(\$259,000)
21		<u>\$471,000</u>
22	TOTAL APPROPRIATION	(\$671,000)
23		<u>\$831,000</u>

24 The appropriations in this section are subject to the following
25 conditions and limitations:

26 ~~((1) \$150,000)~~ \$98,000 of the general fund--state appropriation
27 for fiscal year 2004 ~~(is)~~ and \$212,000 of the general fund--state
28 appropriation for fiscal year 2005 are provided solely for the design
29 and development of the home care provider registry mandated by
30 Initiative Measure No. 775.

31 ~~((2) Pursuant to RCW 74.39A.300(1), the legislature rejects the~~
32 ~~collective bargaining agreement entered into by the home care quality~~
33 ~~authority and the exclusive bargaining representative of individual~~
34 ~~providers under chapter 74.39A RCW (Initiative Measure No. 775).)~~

35 **Sec. 218.** 2003 1st sp.s. c 25 s 221 (uncodified) is amended to
36 read as follows:

1	FOR THE DEPARTMENT OF HEALTH	
2	General Fund--State Appropriation (FY 2004)	((\$58,143,000))
3		<u>\$57,853,000</u>
4	General Fund--State Appropriation (FY 2005)	((\$60,224,000))
5		<u>\$60,375,000</u>
6	Health Services Account--State Appropriation	((\$34,289,000))
7		<u>\$37,389,000</u>
8	General Fund--Federal Appropriation	((\$348,897,000))
9		<u>\$392,762,000</u>
10	General Fund--Private/Local Appropriation	\$93,601,000
11	Hospital Commission Account--State	
12	Appropriation	\$2,490,000
13	Health Professions Account--State	
14	Appropriation	((\$40,097,000))
15		<u>\$40,571,000</u>
16	Emergency Medical Services and Trauma Care Systems	
17	Trust Account--State Appropriation	\$12,558,000
18	Safe Drinking Water Account--State	
19	Appropriation	\$2,728,000
20	Drinking Water Assistance Account--Federal	
21	Appropriation	((\$13,498,000))
22		<u>\$15,654,000</u>
23	Waterworks Operator Certification--State	
24	Appropriation	((\$633,000))
25		<u>\$1,053,000</u>
26	<u>Drinking Water Assistance Administrative Account--</u>	
27	<u>State Appropriation</u>	<u>\$326,000</u>
28	Water Quality Account--State Appropriation	\$3,359,000
29	Accident Account--State Appropriation	\$258,000
30	Medical Aid Account--State Appropriation	\$46,000
31	State Toxics Control Account--State	
32	Appropriation	\$2,761,000
33	Medical Test Site Licensure Account--State	
34	Appropriation	\$1,718,000
35	Youth Tobacco Prevention Account--State	
36	Appropriation	\$1,806,000
37	Tobacco Prevention and Control Account--State	
38	Appropriation	\$52,510,000

1	<u>Patient Safety Account--State Appropriation</u>	<u>\$100,000</u>
2	TOTAL APPROPRIATION	(\$729,616,000)
3		<u>\$779,918,000</u>

4 The appropriations in this section are subject to the following
5 conditions and limitations:

6 (1) The department or any successor agency is authorized to raise
7 existing fees charged for health care assistants, commercial shellfish
8 paralytic shellfish poisoning, commercial shellfish licenses, ~~((and))~~
9 newborn screening programs, psychiatrically impaired children and youth
10 residential treatment and in-home services, in excess of the fiscal
11 growth factor established by Initiative Measure No. 601, if necessary,
12 to meet the actual costs of conducting business and the appropriation
13 levels in this section.

14 (2) \$1,337,000 of the general fund--state fiscal year 2004
15 appropriation and \$1,338,000 of the general fund--state fiscal year
16 2005 appropriation are provided solely for the implementation of the
17 Puget Sound water work plan and agency action items, DOH-01, DOH-02,
18 DOH-03, and DOH-04.

19 (3) The department of health shall not initiate any services that
20 will require expenditure of state general fund moneys unless expressly
21 authorized in this act or other law. The department may seek, receive,
22 and spend, under RCW 43.79.260 through 43.79.282, federal moneys not
23 anticipated in this act as long as the federal funding does not require
24 expenditure of state moneys for the program in excess of amounts
25 anticipated in this act. If the department receives unanticipated
26 unrestricted federal moneys, those moneys shall be spent for services
27 authorized in this act or in any other legislation that provides
28 appropriation authority, and an equal amount of appropriated state
29 moneys shall lapse. Upon the lapsing of any moneys under this
30 subsection, the office of financial management shall notify the
31 legislative fiscal committees. As used in this subsection,
32 "unrestricted federal moneys" includes block grants and other funds
33 that federal law does not require to be spent on specifically defined
34 projects or matched on a formula basis by state funds.

35 (4) ~~(\$21,650,000)~~ \$24,350,000 of the health services account--
36 state appropriation is provided solely for the state's program of
37 universal access to essential childhood vaccines. The department shall

1 utilize all available federal funding before expenditure of these
2 funds.

3 (5) \$2,984,000 of the general fund--local appropriation is provided
4 solely for development and implementation of an internet-based system
5 for preparing and retrieving death certificates as provided in
6 Substitute Senate Bill No. 5545 (chapter 241, Laws of 2003, web-based
7 vital records).

8 (6) The department of social and health services, the office of the
9 superintendent of public instruction, and the department of health
10 should jointly identify opportunities for early intervention and
11 prevention activities that can help prevent disease and reduce oral
12 health issues among children. Disease prevention among infants at the
13 age of one year and among children entering the K-12 education system
14 provides cost-effective ways to avoid higher health care spending later
15 in life.

16 (7) \$92,000 of the general fund--state appropriation for fiscal
17 year 2004, \$19,000 of the general fund--state appropriation for fiscal
18 year 2005, and \$987,000 of the general fund--local appropriation are
19 provided solely for implementation of Substitute House Bill No. 1338
20 (municipal water rights). If Substitute House Bill No. 1338 is not
21 enacted by June 30, 2003, the amounts provided in this subsection shall
22 lapse.

23 (8) \$65,000 of the general fund--state appropriation for fiscal
24 year 2005 is provided solely to enhance and protect basin flows to
25 implement Substitute House Bill No. 2396 (instream flows). If the bill
26 is not enacted by June 30, 2004, the amount provided in this subsection
27 shall lapse.

28 (9) \$500,000 of the general fund--state appropriation for fiscal
29 year 2005 is provided solely for the department to implement a
30 multiyear pilot project in Yakima and Franklin counties for persons
31 with household income at or below 200 percent of the federal poverty
32 level who are ineligible for family planning services through the
33 medicaid program. Individuals who will be served under the pilot
34 include women who have never been pregnant, are not currently pregnant,
35 or are beyond the family planning extension period allowed for first
36 steps program eligibility. It is anticipated that the pilot project
37 will serve approximately 2,000 women annually. The department will

1 provide a preliminary report to the appropriate committees of the
2 legislature by December 1, 2005.

3 (10) \$188,000 of the health professions account--state
4 appropriation is provided solely to increase the regulation of sales of
5 precursor drugs that are often used to illegally manufacture
6 methamphetamine to implement Engrossed Substitute House Bill No. 2844
7 (ephedrine). If the bill is not enacted by June 30, 2004, the amount
8 provided in this subsection shall lapse.

9 (11) \$83,000 of the health professions account--state appropriation
10 is provided solely to expand the scope of practice for naturopaths to
11 implement Substitute House Bill No. 1862 (naturopaths). If the bill is
12 not enacted by June 30, 2004, the amount provided in this subsection
13 shall lapse.

14 (12) \$100,000 of the patient safety account--state appropriation is
15 provided solely to support efforts to reduce medical errors and enhance
16 patient safety to implement Engrossed Second Substitute House Bill No.
17 2786 (patient safety practices). If the bill is not enacted by June
18 30, 2004, the amount provided in this subsection shall lapse.

19 (13) \$203,000 of the health professions account--state
20 appropriation is provided solely for a task force on improvement of
21 health professions discipline to implement Engrossed Substitute House
22 Bill No. 2834 (health profession discipline). If the bill is not
23 enacted by June 30, 2004, the amount provided in this subsection shall
24 lapse.

25 (14) \$25,000 of the general fund--state appropriation for fiscal
26 year 2005 is provided solely to develop and implement best practices in
27 preventative health care for children. The department and the kids get
28 care program of public health - Seattle and King county will work in
29 collaboration with local health care agencies to disseminate strategic
30 interventions that are focused on evidence-based best practices for
31 improving health outcomes in children and saving health care costs. A
32 report shall be provided to the appropriate committees of the
33 legislature by June 30, 2005, on the program effectiveness and cost
34 savings. This funding shall be matched by an equal amount of local
35 funding.

36 **Sec. 219.** 2003 1st sp.s. c 25 s 222 (uncodified) is amended to
37 read as follows:

1 **FOR THE DEPARTMENT OF CORRECTIONS**

2 The appropriations to the department of corrections in this act
3 shall be expended for the programs and in the amounts specified herein.
4 However, after May 1, 2004, after approval by the director of financial
5 management and unless specifically prohibited by this act, the
6 department may transfer general fund--state appropriations for fiscal
7 year 2004 between programs. The director of financial management shall
8 notify the appropriate fiscal committees of the senate and house of
9 representatives in writing prior to approving any deviations from
10 appropriation levels.

11 (1) ADMINISTRATION AND SUPPORT SERVICES

12	General Fund--State Appropriation (FY 2004)	((\$38,317,000))
13		<u>\$36,534,000</u>
14	General Fund--State Appropriation (FY 2005)	((\$35,473,000))
15		<u>\$38,942,000</u>
16	Public Safety and Education Account--State	
17	Appropriation	\$3,657,000
18	Violence Reduction and Drug Enforcement	
19	Account Appropriation	\$26,000
20	TOTAL APPROPRIATION	((\$77,473,000))
21		<u>\$79,159,000</u>

22 The appropriations in this subsection are subject to the following
23 conditions and limitations: ((~~\$3,250,000~~))

24 (a) \$700,000 of the general fund--state appropriation for fiscal
25 year 2004 ((is)) and \$2,550,000 of the general fund--state
26 appropriation for fiscal year 2005 are provided solely for the
27 continuation of phase two of the department's offender-based tracking
28 system replacement project. ((This)) The amounts ((is)) are
29 conditioned on the department satisfying the requirements of section
30 902 of this act.

31 (b) \$107,000 of the general fund--state appropriation for fiscal
32 year 2005 is provided solely for the implementation of Substitute House
33 Bill No. 2661 (information on fugitives). If the bill is not enacted
34 by June 30, 2004, the amount provided in this subsection (b) shall
35 lapse.

36 (2) CORRECTIONAL OPERATIONS

37	General Fund--State Appropriation (FY 2004)	((\$441,122,000))
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1 indicated and in not more than the principal amounts indicated, plus
2 financing expenses and required reserves pursuant to chapter 39.94 RCW.
3 This authority applies to the following: Lease-develop with the option
4 to purchase or lease-purchase approximately 50 work release beds in
5 facilities throughout the state for \$3,500,000.

6 (3) COMMUNITY SUPERVISION

7	General Fund--State Appropriation (FY 2004)	((\$73,952,000))
8		<u>\$87,626,000</u>
9	General Fund--State Appropriation (FY 2005)	((\$74,200,000))
10		<u>\$88,631,000</u>
11	Public Safety and Education	
12	Account--State Appropriation	\$15,492,000
13	TOTAL APPROPRIATION	((\$163,644,000))
14		<u>\$191,749,000</u>

15 The appropriations in this subsection are subject to the following
16 conditions and limitations:

17 (a) The department of corrections shall accomplish personnel
18 reductions with the least possible impact on correctional custody
19 staff, community custody staff, and correctional industries. For the
20 purposes of this subsection, correctional custody staff means employees
21 responsible for the direct supervision of offenders.

22 (b) \$75,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$75,000 of the general fund--state appropriation for
24 fiscal year 2005 are provided solely for the department of corrections
25 to contract with the institute for public policy for responsibilities
26 assigned in chapter 196, Laws of 1999 (offender accountability act) and
27 sections 7 through 12 of chapter 197, Laws of 1999 (drug offender
28 sentencing).

29 (c) \$100,000 of the general fund--state appropriation for fiscal
30 year 2004 is provided solely for a pilot project to test the
31 availability, reliability, and effectiveness of an electronic
32 monitoring system based on passive data logging global positioning
33 system technology for monitoring sex offenders.

34 (i) The department of corrections shall work with the Washington
35 association of sheriffs and police chiefs and the department of social
36 and health services to establish the pilot project.

37 (ii) The pilot project shall be of sufficient size to test the

1 reliability of the technology in a variety of geographical
2 circumstances including both urban and rural locations.

3 (iii) The pilot project shall test the system using sex or
4 kidnapping offenders under the jurisdiction of the department of
5 corrections and persons civilly committed under chapter 71.09 RCW under
6 a variety of supervision circumstances. Offenders included in the
7 pilot project shall be offenders who have been classified as level
8 three offenders by the end of sentence review committee and over whom
9 the department of corrections has authority to establish conditions of
10 supervision or persons who have been ordered to be electronically
11 monitored by the court in a proceeding under chapter 71.09 RCW and who
12 have been classified as level three offenders by the end of sentence
13 review committee.

14 (iv) The pilot project shall specifically examine the feasibility
15 of electronic monitoring for level three sex offenders or kidnapping
16 offenders who register as homeless or transient.

17 (v) The Washington association of sheriffs and police chiefs shall
18 report to the appropriate committees of the legislature and the
19 governor on the results of the pilot project by January 31, 2004. The
20 report must include, but is not limited to:

21 (A) The availability of the technology, including a description of
22 the system used and a discussion of the various types of global
23 positioning system-based monitoring available and appropriate for a sex
24 offender population;

25 (B) Any geographic or weather-related limitations posed by the
26 technology;

27 (C) The reliability, including the false alarm rate of the
28 technology;

29 (D) Any training requirements for department of corrections staff
30 or supervised persons;

31 (E) Any distinctions in effectiveness or feasibility for different
32 supervision populations;

33 (F) Costs, including equipment costs, monitoring fees, and any
34 changes to department of corrections staffing levels;

35 (G) The ability of the subjects of the pilot to pay for daily
36 and/or equipment costs;

37 (H) The rate of loss or damage to equipment used by the subjects of
38 the pilot project; and

1 (I) Limitations in the pilot project to determining the answers to
2 the items in this subsection (3)(c)(v).

3 The association shall make a recommendation in the report about the
4 frequency and timing of monitoring reports, and the need for further
5 study of the issue to determine efficacy and reliability.

6 (d) \$67,000 of the general fund--state appropriation for fiscal
7 year 2005 is provided solely for the implementation of Substitute House
8 Bill No. 2661 (information on fugitives). If the bill is not enacted
9 by June 30, 2004, the amount provided in this subsection (d) shall
10 lapse.

11 (4) CORRECTIONAL INDUSTRIES

12	General Fund--State Appropriation (FY 2004)	\$626,000
13	General Fund--State Appropriation (FY 2005)	(\$626,000)
14		<u>\$663,000</u>
15	TOTAL APPROPRIATION	(\$1,252,000)
16		<u>\$1,289,000</u>

17 The appropriations in this subsection are subject to the following
18 conditions and limitations:

19 (a) \$110,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$110,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for transfer to the jail
22 industries board. The board shall use the amounts provided only for
23 administrative expenses, equipment purchases, and technical assistance
24 associated with advising cities and counties in developing, promoting,
25 and implementing consistent, safe, and efficient offender work
26 programs.

27 (b) \$37,000 of the general fund--state appropriation for fiscal
28 year 2005 is provided solely for the implementation of Engrossed Second
29 Substitute House Bill No. 3026 (correctional industries). If the bill
30 is not enacted by June 30, 2004, the amount provided in this subsection
31 (b) shall lapse.

32 (5) INTERAGENCY PAYMENTS

33	General Fund--State Appropriation (FY 2004)	(\$25,099,000)
34		<u>\$26,259,000</u>
35	General Fund--State Appropriation (FY 2005)	(\$25,134,000)
36		<u>\$26,288,000</u>
37	TOTAL APPROPRIATION	(\$50,233,000)

2
3 The appropriations in this subsection are subject to the following
4 conditions and limitations: \$70,000 of the general fund--state
5 appropriation for fiscal year 2005 is provided solely for the
6 implementation of Engrossed Second Substitute House Bill No. 3026
7 (correctional industries). If the bill is not enacted by June 30,
8 2004, the amount provided in this subsection shall lapse.

9 **Sec. 220.** 2003 1st sp.s. c 25 s 226 (uncodified) is amended to
10 read as follows:

11 **FOR THE EMPLOYMENT SECURITY DEPARTMENT**

12	General Fund--Federal Appropriation	\$267,586,000
13	General Fund--Private/Local Appropriation	\$30,103,000
14	Unemployment Compensation Administration Account--	
15	Federal Appropriation	(((\$184,878,000))
16		<u>\$191,331,000</u>
17	Administrative Contingency Account--State	
18	Appropriation	(((\$14,721,000))
19		<u>\$12,721,000</u>
20	Employment Service Administrative Account--State	
21	Appropriation	\$23,184,000
22	TOTAL APPROPRIATION	(((\$520,472,000))
23		<u>\$524,925,000</u>

24 The appropriations in this subsection are subject to the following
25 conditions and limitations: \$100,000 of the administrative contingency
26 account appropriation is provided solely to ~~((establish an advisory~~
27 ~~partnership on the Washington manufacturing sector as outlined in~~
28 ~~Substitute House Bill No. 2164 (manufacturing advisory partnership) and~~
29 ~~recommended in the report entitled manufacturing in Washington state,~~
30 ~~1990-2002: trends and implications for the industry and state)) the~~
31 employment security department for manufacturing economic research and
32 surveys with findings reported to relevant legislative committees,
33 business, and labor.

(End of part)

PART III
NATURAL RESOURCES

Sec. 301. 2003 1st sp.s. c 25 s 302 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund--State Appropriation (FY 2004)	((\$33,464,000))
	<u>\$35,762,000</u>
General Fund--State Appropriation (FY 2005)	((\$33,263,000))
	<u>\$36,312,000</u>
General Fund--Federal Appropriation	\$57,143,000
General Fund--Private/Local Appropriation	\$3,696,000
Special Grass Seed Burning Research Account--	
State Appropriation	\$14,000
Reclamation Revolving Account--State	
Appropriation	\$2,760,000
Flood Control Assistance Account--	
State Appropriation	((\$2,019,000))
	<u>\$2,159,000</u>
State Emergency Water Projects Revolving Account--	
State Appropriation	((\$552,000))
	<u>\$725,000</u>
Waste Reduction/Recycling/Litter Control Account--	
State Appropriation	\$13,714,000
State Drought Preparedness Account--State	
Appropriation	((\$1,708,000))
	<u>\$1,858,000</u>
State and Local Improvements Revolving Account	
(Water Supply Facilities)--State	
Appropriation	\$593,000
Site Closure Account--State Appropriation	\$629,000
Water Quality Account--State Appropriation	\$25,252,000
Wood Stove Education and Enforcement Account--	
State Appropriation	\$356,000
Worker and Community Right-to-Know Account--	
State Appropriation	\$3,348,000
State Toxics Control Account--State	

1	Appropriation	((\$59,268,000))
2		<u>\$59,704,000</u>
3	State Toxics Control Account--Private/Local	
4	Appropriation	\$353,000
5	Local Toxics Control Account--State	
6	Appropriation	\$4,878,000
7	Water Quality Permit Account--State	
8	Appropriation	\$25,205,000
9	Underground Storage Tank Account--State	
10	Appropriation	\$2,710,000
11	Environmental Excellence Account--State	
12	Appropriation	\$504,000
13	Biosolids Permit Account--State Appropriation	\$784,000
14	Hazardous Waste Assistance Account--State	
15	Appropriation	((\$4,185,000))
16		<u>\$4,535,000</u>
17	Air Pollution Control Account--State	
18	Appropriation	\$1,654,000
19	Oil Spill Prevention Account--State	
20	Appropriation	((\$7,745,000))
21		<u>\$7,945,000</u>
22	Air Operating Permit Account--State	
23	Appropriation	\$3,693,000
24	Freshwater Aquatic Weeds Account--State	
25	Appropriation	\$2,503,000
26	Oil Spill Response Account--State	
27	Appropriation	\$7,078,000
28	Metals Mining Account--State Appropriation	\$19,000
29	Water Pollution Control Revolving Account--	
30	State Appropriation	((\$380,000))
31		<u>\$387,000</u>
32	<u>Vehicle Tire Recycling Account--</u>	
33	<u>State Appropriation</u>	<u>\$1,735,000</u>
34	Water Pollution Control Revolving Account--	
35	Federal Appropriation	((\$1,867,000))
36		<u>\$1,901,000</u>
37	TOTAL APPROPRIATION	((\$301,337,000))
38		<u>\$309,639,000</u>

1 The appropriations in this section are subject to the following
2 conditions and limitations:

3 (1) \$2,757,696 of the general fund--state appropriation for fiscal
4 year 2004, \$2,757,696 of the general fund--state appropriation for
5 fiscal year 2005, \$394,000 of the general fund--federal appropriation,
6 \$2,581,000 of the state toxics account--state appropriation, \$217,830
7 of the water quality account--state appropriation, \$322,976 of the
8 state drought preparedness account--state appropriation, \$3,748,220 of
9 the water quality permit account--state appropriation, and \$704,942 of
10 the oil spill prevention account are provided solely for the
11 implementation of the Puget Sound work plan and agency action items
12 DOE-01, DOE-02, DOE-04, DOE-05, DOE-06, DOE-07, DOE-08, and DOE-09.

13 (2) \$4,059,000 of the state toxics control account appropriation is
14 provided solely for methamphetamine lab clean-up activities.

15 (3) \$170,000 of the oil spill prevention account appropriation is
16 provided solely for implementation of the Puget Sound work plan action
17 item UW-02 through a contract with the University of Washington's sea
18 grant program to develop an educational program targeted to small
19 spills from commercial fishing vessels, ferries, cruise ships, ports,
20 and marinas.

21 (4) (~~(\$1,000,000)~~) \$600,000 of the general fund--state
22 appropriation for fiscal year 2004 and (~~(\$1,000,000)~~) \$1,400,000 of the
23 general fund--state appropriation for fiscal year 2005 are provided
24 solely for shoreline grants to local governments to implement
25 Substitute Senate Bill No. 6012 (shoreline management), chapter 262,
26 Laws of 2003.

27 (5) Fees approved by the department of ecology in the 2003-05
28 biennium are authorized to exceed the fiscal growth factor under RCW
29 43.135.055.

30 (6) \$200,000 of the water quality account--state appropriation is
31 provided solely for the department to contract with Washington State
32 University cooperative extension program to provide statewide
33 coordination and support for coordinated resource management.

34 (7) \$100,000 of the state toxics control account--state
35 appropriation is provided solely to implement Engrossed Substitute
36 House Bill No. 1002 (mercury), chapter 260, Laws of 2003. If the bill
37 is not enacted by June 30, 2003, the amount provided in this subsection
38 shall lapse.

1 (8) The department of ecology is authorized to take one of the
2 following actions related to the grant awarded in the 2001-03 biennium
3 to Lincoln county for the Negro Creek flood control project, flood
4 control assistance account program grant G0200049: (a) Carry forward
5 to the 2003-05 biennium any unspent portion of the grant, or (b) extend
6 the time of performance for the grant contract to the end of the 2003-
7 2005 biennium.

8 (9) Within the amounts appropriated in this section the department
9 shall convene and provide staff support for a water resources
10 administration and funding task force. The task force shall develop
11 proposals for and recommend several options for funding the state's
12 water resource programs, including both operating programs and capital
13 costs for water program implementation. The task force must report its
14 findings and recommendations to the governor and the appropriate
15 committees of the legislature by December 15, 2004.

16 (10) \$436,000 of the state toxics control account--state
17 appropriation is provided solely to: (a) Implement the mercury
18 chemical action plan; (b) fund rulemaking to select future chemicals
19 for action plans; and (c) provide ongoing funding for the development
20 and implementation of future chemical action plans. Any pesticide with
21 a valid registration on or after the effective date of this act issued
22 by the environmental protection agency under the federal insecticide,
23 fungicide and rodenticide act, 7 U.S.C. 136 et seq, or any fertilizer
24 regulated under the Washington fertilizer act, chapter 15.54 RCW, shall
25 not be included in a persistent bioaccumulative toxin rulemaking
26 process, list, or chemical action plan undertaken by the department of
27 ecology.

28 (11) \$100,000 of the general fund--state appropriation for fiscal
29 year 2005 is provided solely to support the initial phase of the
30 federal United States Geological Survey study of the Spokane
31 Valley-Rathdrum Prairie aquifer.

32 (12) \$400,000 of the general fund--state appropriation for fiscal
33 year 2005 is provided solely to pursue resolution of federal and tribal
34 rights to water in Washington state consistent with comprehensive state
35 water resources planning under chapter 90.54 RCW. Of this amount,
36 \$200,000 is provided solely for mediation efforts with the Lummi Nation
37 and \$200,000 is provided solely for state participation in a federal

1 pilot process to determine and quantify the water rights of the Tulalip
2 Tribes.

3 (13) \$100,000 of the oil spill prevention account appropriation is
4 provided solely to implement Second Substitute House Bill No. 3112
5 (marine fuel facilities). If the bill is not enacted by June 30, 2004,
6 the amount provided in this subsection shall lapse.

7 (14) \$100,000 of the oil spill prevention account appropriation is
8 provided solely to implement Substitute House Bill No. 3020 (oil spill
9 management). If the bill is not enacted by June 30, 2004, the amount
10 provided in this subsection shall lapse.

11 (15) \$1,735,000 of the vehicle tire recycling account appropriation
12 is provided solely to implement Engrossed Substitute House Bill No.
13 3054 (restoring the vehicle tire fee). If the bill is not enacted by
14 June 30, 2004, the amount provided in this subsection shall lapse.

15 (16) \$65,000 of the general fund--state appropriation for fiscal
16 year 2005 is provided solely to implement Engrossed Substitute House
17 Bill No. 2488 (electronic products). If the bill is not enacted by
18 June 30, 2004, the amounts provided in this subsection shall lapse.

19 (17) \$2,012,000 of the general fund--state appropriation for fiscal
20 year 2005 is provided solely for (a) establishing instream flows by
21 rule for main stem rivers and their key tributaries in the state
22 through application of standards adopted pursuant to chapters 90.22 and
23 90.54 RCW; securing independent scientific review of the state's
24 instream flow program; investing in the streamflow gauges and related
25 information systems to assist in implementation of watershed plans, and
26 studying the recharge management of flood waters; (b) working with
27 counties that have existing geographic information systems to map
28 existing water rights and document current ownership, compiling
29 existing watershed planning unit assessments to document current use of
30 water in comparison to existing paper water rights, evaluating
31 alternative administrative systems for determining existing water
32 rights; and (c) assign one water master to a basin that has been
33 adjudicated.

34 (18) \$2,500,000 of the general fund--state appropriation for fiscal
35 year 2004 is provided solely for a one-time payment to settle all
36 claims in a suit against the state in the *Envirotest v. Department of*
37 *Ecology*, Thurston Co. Sup. Ct. Case No. 02-2-00255-0.

1 (19) \$350,000 of the hazardous waste assistance account
2 appropriation is provided solely for rulemaking to require closure
3 plans, liability coverage, and financial assurances for hazardous waste
4 management facilities.

5 (20) \$16,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$254,000 of the general fund--state appropriation for
7 fiscal year 2005 are contingent on the enactment of House Bill No. 3202
8 (water rights fees). If the bill is not enacted by June 30, 2004, the
9 amounts provided in this subsection shall lapse.

10 **Sec. 302.** 2003 1st sp.s. c 25 s 303 (uncodified) is amended to
11 read as follows:

12 **FOR THE STATE PARKS AND RECREATION COMMISSION**

13	General Fund--State Appropriation (FY 2004)	((\$29,986,000))
14		<u>\$30,015,000</u>
15	General Fund--State Appropriation (FY 2005)	((\$29,976,000))
16		<u>\$30,034,000</u>
17	General Fund--Federal Appropriation	\$2,666,000
18	General Fund--Private/Local Appropriation	\$63,000
19	Winter Recreation Program Account--State	
20	Appropriation	\$1,079,000
21	Off Road Vehicle Account--State Appropriation	\$285,000
22	Snowmobile Account--State Appropriation	\$4,790,000
23	Aquatic Lands Enhancement Account--State	
24	Appropriation	\$332,000
25	Public Safety and Education Account--State	
26	Appropriation	\$47,000
27	<u>Parks Renewal and Stewardship Account--</u>	
28	<u> Private/Local Appropriation</u>	<u>\$300,000</u>
29	Parks Renewal and Stewardship Account--	
30	State Appropriation	((\$33,769,000))
31		<u>\$34,431,000</u>
32	TOTAL APPROPRIATION	((\$102,993,000))
33		<u>\$104,042,000</u>

34 The appropriations in this section are subject to the following
35 conditions and limitations:

36 (1) Fees approved by the state parks and recreation commission in

1 the 2003-05 biennium are authorized to exceed the fiscal growth factor
2 under RCW 43.135.055.

3 (2) \$79,000 of the general fund--state appropriation for fiscal
4 year 2004, \$79,000 of the general fund--state appropriation for fiscal
5 year 2005, and \$8,000 of the winter recreation program account--state
6 appropriation are provided solely for a grant for the operation of the
7 Northwest avalanche center.

8 (3) \$191,000 of the aquatic lands enhancement account appropriation
9 is provided solely for the implementation of the Puget Sound work plan
10 and agency action item P+RC-02.

11 (4) At each state park at which a parking fee is collected, the
12 state parks and recreation commission shall provide notice that the
13 revenue collected from the parking fee shall be used to fund
14 expenditures to maintain and improve the state park system.

15 (5) \$72,000 of the parks renewal and stewardship account--state
16 appropriation is provided solely for one-time and ongoing computer
17 system improvements and technical support.

18 **Sec. 303.** 2003 1st sp.s. c 25 s 304 (uncodified) is amended to
19 read as follows:

20 **FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION**

21	General Fund--State Appropriation (FY 2004)	\$1,246,000
22	General Fund--State Appropriation (FY 2005)	(\$1,256,000)
23		<u>\$1,481,000</u>
24	General Fund--Federal Appropriation	\$17,983,000
25	<u>General Fund--Private/Local Appropriation</u>	<u>\$125,000</u>
26	Firearms Range Account--State Appropriation	\$22,000
27	Recreation Resources Account--State	
28	Appropriation	\$2,608,000
29	NOVA Program Account--State Appropriation	\$691,000
30	Water Quality Account--State Appropriation	\$200,000
31	Aquatic Lands Enhancement Account--State Appropriation	\$254,000
32	TOTAL APPROPRIATION	(\$24,260,000)
33		<u>\$24,610,000</u>

34 The appropriations in this section are subject to the following
35 conditions and limitations:

36 (1) \$16,000,000 of the general fund--federal appropriation is

1 provided solely for implementation of the forest and fish agreement
2 rules. These funds will be passed through to the department of natural
3 resources and the department of fish and wildlife.

4 (2) \$41,000 of the general fund--state appropriation for fiscal
5 year 2004 and \$41,000 of the general fund--state appropriation for
6 fiscal year 2005 are provided solely for the operation and maintenance
7 of the natural resources data portal.

8 (3) \$812,000 of the general fund--state appropriation for fiscal
9 year 2004, \$813,000 of the general fund--state appropriation for fiscal
10 year 2005, and \$1,625,000 of the general fund--federal appropriation
11 are provided to the salmon recovery funding board for distribution to
12 lead entities. The board may establish policies to require
13 coordination of funding requests from lead entities and regional
14 recovery boards to ensure that recovery efforts are synchronized. At
15 the discretion of the board, funding shall be concentrated in
16 watersheds within the highest priority salmon recovery regions as
17 defined by the statewide strategy to recover salmon. The board shall
18 also coordinate funding decisions with the northwest power planning
19 council to ensure maximum efficiency and investment return.

20 (4) \$234,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$234,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely to implement priority
23 recommendations developed by the monitoring oversight committee as
24 directed by RCW 77.85.210. Within these funds, activity shall be
25 directed to improve monitoring oversight within watersheds, enhance
26 data coordination and access among recovery partners, and produce a
27 state watershed health report card.

28 (5) \$125,000 of the general fund--state appropriation for fiscal
29 year 2005 and \$125,000 of the general fund--private/local appropriation
30 are provided solely for implementation of a statewide biodiversity
31 conservation strategy.

32 (6) \$100,000 of the general fund--state appropriation for fiscal
33 year 2005 is provided solely to implement Engrossed Substitute House
34 Bill No. 2275 (habitat conservation program). If the bill is not
35 enacted by June 30, 2004, the amount provided in this subsection shall
36 lapse.

1 **Sec. 304.** 2003 1st sp.s. c 25 s 305 (uncodified) is amended to
2 read as follows:

3 **FOR THE ENVIRONMENTAL HEARINGS OFFICE**

4	General Fund--State Appropriation (FY 2004)	((\$923,000))
5		<u>\$934,000</u>
6	General Fund--State Appropriation (FY 2005)	((\$960,000))
7		<u>\$998,000</u>
8	TOTAL APPROPRIATION	((\$1,883,000))
9		<u>\$1,932,000</u>

10 The appropriations in this section are subject to the following
11 conditions and limitations: \$30,000 of the general fund--state
12 appropriation for fiscal year 2004 and \$20,000 of the general fund--
13 state appropriation for fiscal year 2005 are provided solely to
14 implement Engrossed Substitute Senate Bill No. 5776 (review of permit
15 decisions), chapter 393, Laws of 2003.

16 **Sec. 305.** 2003 1st sp.s. c 25 s 306 (uncodified) is amended to
17 read as follows:

18 **FOR THE CONSERVATION COMMISSION**

19	General Fund--State Appropriation (FY 2004)	\$2,234,000
20	General Fund--State Appropriation (FY 2005)	\$2,245,000
21	Water Quality Account--State Appropriation	((\$2,162,000))
22		<u>\$2,412,000</u>
23	TOTAL APPROPRIATION	((\$6,641,000))
24		<u>\$6,891,000</u>

25 The appropriations in this section are subject to the following
26 conditions and limitations:

27 (1) \$247,000 of the general fund--state appropriation for fiscal
28 year 2004 and \$247,000 of the general fund--state appropriation for
29 fiscal year 2005 are provided solely for the implementation of the
30 Puget Sound work plan and agency action item CC-01.

31 (2) \$118,000 of the general fund--state appropriation for fiscal
32 year 2004 and \$121,000 of the general fund--state appropriation for
33 fiscal year 2005 are provided solely to implement Engrossed Second
34 Substitute House Bill No. 1418 (drainage infrastructure), chapter 391,
35 Laws of 2003.

36 (3) \$250,000 of the water quality account--state appropriation is
37 provided solely for grants to conservation districts. Grants shall

1 provide for education, outreach, and technical assistance programs to
 2 assist owners and operators of concentrated animal feeding operations
 3 with compliance issues related to federal concentrated animal feeding
 4 operations requirements and the department of agriculture's livestock
 5 nutrient management program.

6 **Sec. 306.** 2003 1st sp.s. c 25 s 307 (uncodified) is amended to
 7 read as follows:

8 **FOR THE DEPARTMENT OF FISH AND WILDLIFE**

9	General Fund--State Appropriation (FY 2004)	((\$41,453,000))
10		<u>\$41,600,000</u>
11	General Fund--State Appropriation (FY 2005)	((\$40,179,000))
12		<u>\$40,494,000</u>
13	General Fund--Federal Appropriation	((\$31,632,000))
14		<u>\$40,316,000</u>
15	General Fund--Private/Local Appropriation	((\$24,300,000))
16		<u>\$29,420,000</u>
17	Off Road Vehicle Account--State	
18	Appropriation	\$501,000
19	Aquatic Lands Enhancement Account--State	
20	Appropriation	\$5,620,000
21	Public Safety and Education Account--State	
22	Appropriation	\$562,000
23	Recreational Fisheries Enhancement Account--	
24	State Appropriation	((\$3,392,000))
25		<u>\$3,467,000</u>
26	Warm Water Game Fish Account--State	
27	Appropriation	\$2,568,000
28	Eastern Washington Pheasant Enhancement Account--	
29	State Appropriation	\$750,000
30	Wildlife Account--State Appropriation	((\$57,138,000))
31		<u>\$58,922,000</u>
32	Wildlife Account--Federal Appropriation	((\$38,216,000))
33		<u>\$29,532,000</u>
34	Wildlife Account--Private/Local	
35	Appropriation	((\$15,158,000))
36		<u>\$10,038,000</u>
37	((Game)) Special Wildlife Account--State	

1	Appropriation	((\$1,949,000))
2		<u>\$2,068,000</u>
3	((Game)) Special Wildlife Account--Federal	
4	Appropriation	((\$9,598,000))
5		<u>\$8,720,000</u>
6	((Game)) Special Wildlife Account--Private/Local	
7	Appropriation	((\$350,000))
8		<u>\$450,000</u>
9	Environmental Excellence Account--State	
10	Appropriation	\$15,000
11	Regional Fisheries Salmonid Recovery Account--	
12	Federal Appropriation	\$1,750,000
13	Oil Spill Prevention Account--State	
14	Appropriation	\$981,000
15	Oyster Reserve Land Account--State	
16	Appropriation	((\$137,000))
17		<u>\$411,000</u>
18	TOTAL APPROPRIATION	((\$276,249,000))
19		<u>\$278,185,000</u>

20 The appropriations in this section are subject to the following
21 conditions and limitations:

22 (1) \$1,355,714 of the general fund--state appropriation for fiscal
23 year 2004, \$1,355,713 of the general fund--state appropriation for
24 fiscal year 2005, and \$402,000 of the wildlife account--state
25 appropriation are provided solely for the implementation of the Puget
26 Sound work plan and agency action items DFW-01 through DFW-06.

27 (2) \$225,000 of the general fund--state appropriation for fiscal
28 year 2004, \$225,000 of the general fund--state appropriation for fiscal
29 year 2005, and \$550,000 of the wildlife account--state appropriation
30 are provided solely for the implementation of hatchery reform
31 recommendations defined by the hatchery scientific review group.

32 (3) ((~~\$850,000~~)) \$1,016,000 of the wildlife account--state
33 appropriation is provided solely for stewardship and maintenance needs
34 on agency-owned lands and water access sites.

35 (4) \$900,000 of the wildlife fund--state appropriation is provided
36 solely for wetland restoration activities for migratory waterfowl by
37 providing landowner incentives to create or maintain waterfowl habitat
38 and management activities.

1 (5) \$2,000,000 of the aquatic lands enhancement account
2 appropriation is provided for cooperative volunteer projects.

3 (6) The department shall support the activities of the aquatic
4 nuisance species coordination committee to foster state, federal,
5 tribal, and private cooperation on aquatic nuisance species issues.
6 The committee shall strive to prevent the introduction of nonnative
7 aquatic species and to minimize the spread of species that are
8 introduced.

9 (7) The department shall develop and implement an activity-based
10 costing system. The system shall be operational no later than January
11 1, 2004.

12 (8) \$400,000 of the wildlife account--state appropriation is
13 provided solely to implement the department's information systems
14 strategic plan to include continued implementation of a personal
15 computer leasing plan, an upgrade of computer back-up systems, systems
16 architecture assessment, and network security analysis.

17 (9) Within funds provided, the department shall make available
18 enforcement and biological staff to respond and take appropriate action
19 to ensure public safety in response to public complaints regarding bear
20 and cougar.

21 (10) \$43,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$42,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely for staffing and operation of the
24 Tennant Lake interpretive center.

25 (11) \$80,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$77,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely to implement Second Substitute
28 House Bill No. 1095 (small forest landowners), chapter 311, Laws of
29 2003.

30 (12) \$25,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$25,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely to implement Engrossed Second
33 Substitute House Bill No. 1338 (municipal water rights). If the bill
34 is not enacted by June 30, 2003, the amounts provided in this
35 subsection shall lapse.

36 (13) \$110,000 of the general fund--state appropriation for fiscal
37 year 2004 and \$110,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely for economic adjustment assistance
2 to fishermen pursuant to the 1999 Pacific salmon treaty agreement.

3 (14) The department shall emphasize enforcement of laws related to
4 protection of fish habitat and the illegal harvest of salmon and
5 steelhead. Within the amount provided for the agency, the department
6 shall provide support to the department of health to enforce state
7 shellfish harvest laws.

8 (15) \$75,000 of the recreational fisheries enhancement account and
9 \$75,000 of the state wildlife account--state appropriation are provided
10 solely to implement additional selective recreational fisheries to
11 include one additional fishery each in eastern and western Washington.
12 The department shall determine the eastern Washington fishery, and the
13 western Washington fishery shall be for Lake Washington sockeye.

14 (16) \$60,000 of the general fund--state appropriation for fiscal
15 year 2005 is provided solely for implementation of Substitute House
16 Bill No. 2920 (special economic recreational fisheries). If the bill
17 is not enacted by June 30, 2004, the amount provided in this subsection
18 shall lapse.

19 (17) \$16,000 of the wildlife account--state appropriation is
20 provided solely for implementation of Substitute House Bill No. 2621
21 (razor clam license). If the bill is not enacted by June 30, 2004, the
22 amount provided in this subsection shall lapse.

23 (18) \$417,000 of the wildlife account--state appropriation is
24 provided solely to implement Substitute House Bill No. 2431 (Dungeness
25 crab card). If the bill is not enacted by June 30, 2004, the amount
26 provided in this subsection shall lapse.

27 (19) \$112,000 of the general fund--state appropriation for fiscal
28 year 2005 is provided solely to buy back purse seine fishing licenses.

29 (20) \$180,000 of the wildlife account--state appropriation is
30 provided solely to test deer and elk for chronic wasting disease and to
31 document the extent of swan lead poisoning. Of this amount, \$65,000 is
32 provided solely to document the extent of swan lead poisoning and to
33 begin environmental cleanup.

34 (21) \$122,000 of the wildlife account--state appropriation is
35 provided solely to reimburse the department of natural resources for
36 fire suppression costs incurred on department of fish and wildlife
37 lands.

1 **Sec. 307.** 2003 1st sp.s. c 25 s 308 (uncodified) is amended to
2 read as follows:

3 **FOR THE DEPARTMENT OF NATURAL RESOURCES**

4	General Fund--State Appropriation (FY 2004)	((\$30,307,000))
5		<u>\$54,329,000</u>
6	General Fund--State Appropriation (FY 2005)	((\$34,233,000))
7		<u>\$35,196,000</u>
8	General Fund--Federal Appropriation	((\$3,809,000))
9		<u>\$5,116,000</u>
10	General Fund--Private/Local Appropriation	\$2,482,000
11	Forest Development Account--State	
12	Appropriation	((\$52,060,000))
13		<u>\$52,210,000</u>
14	Off Road Vehicle Account--State	
15	Appropriation	((\$4,028,000))
16		<u>\$4,029,000</u>
17	Surveys and Maps Account--State	
18	Appropriation	((\$2,760,000))
19		<u>\$2,761,000</u>
20	Aquatic Lands Enhancement Account--State	
21	Appropriation	((\$6,884,000))
22		<u>\$6,925,000</u>
23	Resources Management Cost Account--State	
24	Appropriation	((\$70,391,000))
25		<u>\$70,618,000</u>
26	Surface Mining Reclamation Account--State	
27	Appropriation	\$2,293,000
28	Disaster Response Account--State Appropriation	\$7,200,000
29	Water Quality Account--State Appropriation	\$2,479,000
30	Aquatic Land Dredged Material Disposal Site	
31	Account--State Appropriation	\$1,311,000
32	Natural Resource Conservation Areas Stewardship	
33	Account Appropriation	\$83,000
34	Air Pollution Control Account--State	
35	Appropriation	\$526,000
36	Agricultural College Trust Management Account	
37	Appropriation	((\$1,868,000))
38		<u>\$1,872,000</u>

1	Derelict Vessel Removal Account--State	
2	Appropriation	\$1,130,000
3	TOTAL APPROPRIATION	((\$223,844,000))
4		<u>\$250,560,000</u>

5 The appropriations in this section are subject to the following
6 conditions and limitations:

7 (1) \$18,000 of the general fund--state appropriation for fiscal
8 year 2004, \$18,000 of the general fund--state appropriation for fiscal
9 year 2005, and \$1,006,950 of the aquatic lands enhancement account
10 appropriation are provided solely for the implementation of the Puget
11 Sound work plan and agency action items DNR-01, DNR-02, and DNR-04.

12 (2) \$908,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$910,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided solely for deposit into the agricultural
15 college trust management account and are provided solely to manage
16 approximately 70,700 acres of Washington State University's
17 agricultural college trust lands.

18 (3) ((~~\$1,158,000~~)) \$24,674,000 of the general fund--state
19 appropriation for fiscal year 2004, \$8,358,000 of the general fund--
20 state appropriation for fiscal year 2005, and \$7,200,000 of the
21 disaster response account--state appropriation are provided solely for
22 emergency fire suppression. One-time funding is provided for incurred
23 and anticipated emergency fire suppression costs during fiscal year
24 2004, in excess of the department's existing fire suppression
25 appropriations. Funding provided in this subsection shall not be
26 allocated to cover any portion of agency indirect and administrative
27 expenses.

28 (4) \$582,000 of the aquatic lands enhancement account appropriation
29 is provided solely for spartina control.

30 (5) Fees approved by the board of natural resources in the 2003-05
31 biennium are authorized to exceed the fiscal growth factor under RCW
32 43.135.055.

33 (6) The department shall prepare a report of actual and planned
34 expenditures by task and activity from all fund sources for all aspects
35 of the forest and fish program for the 2001-03 and 2003-05 biennia.
36 The report shall be submitted to the director of financial management
37 and the legislative fiscal committees by August 31, 2003.

1 (7) Authority to expend funding for acquisition of technology
2 equipment and software associated with development of a new revenue
3 management system is conditioned on compliance with section 902 of this
4 act.

5 (8) \$1,000,000 of the aquatic lands enhancement account--state
6 appropriation is provided solely for the department to meet its
7 obligations with the U.S. environmental protection agency for the
8 clean-up of Commencement Bay.

9 (9) For the 2003-05 fiscal biennium, the department has revised the
10 methodology by which administrative costs of the department are
11 allocated among the state general fund and the various dedicated funds
12 and accounts from which the department receives appropriations. The
13 legislature recognizes that the revised methodology represents a fair
14 and equitable allocation of costs under state law and accounting rules.
15 The legislature further finds that retroactive application of the
16 revised methodology is neither practical nor desirable.

17 (10) The department of natural resources shall provide a report to
18 the appropriate committees of the legislature, the office of financial
19 management, and the board of natural resources concerning the costs and
20 effectiveness of the contract harvesting program as authorized by
21 Second Substitute Senate Bill No. 5074 (contract harvesting), chapter
22 313, Laws of 2003. The report shall be submitted by December 31, 2006,
23 and shall include the following information:

24 (a) Number of sales conducted through contract harvesting;

25 (b) For each sale conducted, the (i) number of board feet sold;
26 (ii) stumpage and pond prices; (iii) difference in revenues received
27 compared to revenues that would have accrued through noncontract
28 harvest sales, and the distribution of revenues to the contract
29 harvesting revolving account, and to applicable management and trust
30 accounts; and (iv) total cost to conduct the contract harvest, by fund
31 and object of expenditure; and

32 (c) Other costs and benefits attributable to contract harvesting.

33 (11) \$208,000 of the general fund--state appropriation of fiscal
34 year 2004 and \$70,000 of the general fund--state appropriation for
35 fiscal year 2005 are provided solely to implement Second Substitute
36 House Bill No. 1095 (small forest landowners), chapter 311, Laws of
37 2003.

1 (12) The department of natural resources shall not close Sahara
2 Creek facility, campground, or trailhead. The appropriations in this
3 section are deemed sufficient to provide service for these recreational
4 opportunities.

5 (13) \$4,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$4,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely to compensate the forest board
8 trust for a portion of the lease to the Crescent television improvement
9 district consistent with RCW 79.12.055.

10 (14) \$2,700,000 of the general fund--state appropriation for fiscal
11 year 2004 is provided solely to the department of natural resources to
12 acquire approximately 232 acres of land and timber in Klickitat county
13 from the SDS lumber company. Expenditure of the moneys provided in
14 this subsection shall not be made until the SDS lumber company accepts
15 the land and timber acquisition as full and complete settlement of the
16 current litigation brought by the SDS lumber company against the state
17 and the litigation is dismissed, with prejudice. The land and timber
18 acquired with the funding in this subsection shall be managed for the
19 benefit of the common schools. By June 30, 2004, if the department has
20 not recovered through trust asset management the state's capital
21 investment from the land acquisition provided in this subsection, the
22 department shall seek reimbursement from the federal government.

23 (15) \$265,000 of the aquatic lands enhancement account
24 appropriation is provided solely for developing a pilot project to
25 study the feasibility of geoduck aquaculture on both intertidal and
26 subtidal lands in the state of Washington.

27 (16) \$60,000 of the general fund--state appropriation for fiscal
28 year 2004 is provided solely for habitat restoration work in the Loomis
29 natural resource area.

30 (17) \$440,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$500,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for legal defense costs in *Pacific*
33 *Sound Resources v. Burlington Northern Santa Fe Railroad et al.*

34 (18) \$450,000 of the general fund--state appropriation for fiscal
35 year 2005 is provided solely to maintain department-managed trails,
36 campsites, and other areas or lands that are open for public use. The
37 department shall ensure that these sites will remain open and operating
38 at their current level of service.

1 (19) \$48,000 of the forest development account--state appropriation
2 and \$113,000 of the resources management cost account--state
3 appropriation are provided solely for implementation of Substitute
4 House Bill No. 2506 (allowing property owners to acquire access to
5 landlocked parcels across public lands). If the bill is not enacted by
6 June 30, 2004, the amounts provided in this subsection shall lapse.

7 (20) \$87,000 of the forest development account--state
8 appropriation, \$87,000 of the resources management cost account--state
9 appropriation, and \$4,000 of the agricultural college trust management
10 account--state appropriation are provided solely for implementation of
11 Engrossed Substitute House Bill No. 2753 (state-owned forest land). If
12 the bill is not enacted by June 30, 2004, the amounts provided in this
13 subsection shall lapse.

14 (21) \$40,000 of the aquatic lands enhancement account appropriation
15 is provided solely for the department to (a) calculate the rent for
16 DNR-leased marinas based on a percentage of a marina's income and (b)
17 recommend an appropriate formula to the 2005 legislature.

18 **Sec. 308.** 2003 1st sp.s. c 25 s 309 (uncodified) is amended to
19 read as follows:

20 **FOR THE DEPARTMENT OF AGRICULTURE**

21	General Fund--State Appropriation (FY 2004)	((\$7,444,000))
22		<u>\$7,636,000</u>
23	General Fund--State Appropriation (FY 2005)	((\$7,244,000))
24		<u>\$11,491,000</u>
25	General Fund--Federal Appropriation	\$10,068,000
26	General fund--Private/Local Appropriation	\$1,110,000
27	Aquatic Lands Enhancement Account--State	
28	Appropriation	((\$1,942,000))
29		<u>\$2,027,000</u>
30	Water Quality Account--State Appropriation	\$692,000
31	State Toxics Control Account--State	
32	Appropriation	((\$2,580,000))
33		<u>\$2,780,000</u>
34	Water Quality Permit Account--State Appropriation	\$165,000
35	TOTAL APPROPRIATION	((\$31,245,000))
36		<u>\$35,969,000</u>

1 The appropriations in this section are subject to the following
2 conditions and limitations:

3 (1) \$37,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$37,000 of the general fund--state appropriation for
5 fiscal year 2005 are provided solely for implementation of the Puget
6 Sound work plan and agency action item WSDA-01.

7 (2) Fees and assessments approved by the department in the 2003-05
8 biennium are authorized to exceed the fiscal growth factor under RCW
9 43.135.055.

10 (3) \$165,000 of the water quality permit account--state
11 appropriation and \$692,000 of the water quality account--state
12 appropriation are provided solely to implement Engrossed Substitute
13 Senate Bill No. 5889 (animal feeding operations), chapter 325, Laws of
14 2003.

15 (4) \$53,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$15,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely to implement Engrossed Substitute
18 House Bill No. 1754 (chickens), chapter 397, Laws of 2003.

19 (5) \$42,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$287,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for animal identification, food
22 safety, and commercial feed inspection programs.

23 (6) \$150,000 of the general fund--state appropriation for fiscal
24 year 2004 is provided solely for response costs to the discovery of
25 bovine spongiform encephalopathy in a Washington dairy cow.

26 (7) \$630,000 of the general fund--state appropriation for fiscal
27 year 2005 is provided solely for the "from the heart of Washington"
28 campaign, southeast Asia/China trade representatives, and for the small
29 farm and direct marketing program.

30 (8) \$85,000 of the aquatic lands enhancement account appropriation
31 is provided solely for spartina eradication efforts in Willapa Bay and
32 Grays Harbor.

33 (9) \$330,000 of the general fund--state appropriation for fiscal
34 year 2005 is provided solely to contract with Washington State
35 University for research and development activities related to asparagus
36 harvesting and automation technology.

37 (10) \$3,000,000 of the general fund--state appropriation for fiscal

1 year 2005 is provided solely for the purchase of agricultural products
2 packing equipment. The department shall negotiate an appropriate
3 agreement with the agricultural industry for the use of the equipment.

4 **Sec. 309.** 2003 1st sp.s. c 25 s 310 (uncodified) is amended to
5 read as follows:

6 **FOR THE WASHINGTON POLLUTION LIABILITY REINSURANCE PROGRAM**

7 Pollution Liability Insurance Program Trust Account--

8 State Appropriation (~~(\$984,000)~~)
9 \$808,000

(End of part)

PART IV
TRANSPORTATION

Sec. 401. 2003 1st sp.s. c 25 s 401 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

General Fund--State Appropriation (FY 2004)	((\$4,986,000))
	<u>\$5,085,000</u>
General Fund--State Appropriation (FY 2005)	((\$4,988,000))
	<u>\$4,978,000</u>
Architects' License Account--State	
Appropriation	((\$696,000))
	<u>\$706,000</u>
Cemetery Account--State Appropriation	((\$235,000))
	<u>\$249,000</u>
Professional Engineers' Account--State	
Appropriation	((\$3,025,000))
	<u>\$2,938,000</u>
Real Estate Commission Account--State Appropriation	((\$7,111,000))
	<u>\$7,048,000</u>
Master License Account--State Appropriation	((\$9,110,000))
	<u>\$8,922,000</u>
Uniform Commercial Code Account--State	
Appropriation	((\$2,987,000))
	<u>\$2,837,000</u>
Real Estate Education Account--State	
Appropriation	((\$277,000))
	<u>\$275,000</u>
Real Estate Appraisers Commission Account--State	
Appropriation	((\$927,000))
	<u>\$1,041,000</u>
Geologist's Account--State	
Appropriation	((\$7,000))
	<u>\$21,000</u>
Funeral Directors and Embalmers Account--State	
Appropriation	((\$521,000))
	<u>\$532,000</u>

1	Washington Real Estate Research Account--State	
2	Appropriation	((\$308,000))
3		<u>\$302,000</u>
4	Data Processing Revolving Account--State	
5	Appropriation	\$29,000
6	<u>Derelict Vessel Removal Account--State</u>	
7	<u>Appropriation</u>	<u>\$31,000</u>
8	TOTAL APPROPRIATION	((\$35,207,000))
9		<u>\$34,994,000</u>

10 The appropriations in this section are subject to the following
11 conditions and limitations:

12 (1) In accordance with RCW 43.24.086, it is the policy of the state
13 of Washington that the cost of each professional, occupational, or
14 business licensing program be fully borne by the members of that
15 profession, occupation, or business. For each licensing program
16 covered by RCW 43.24.086, the department shall set fees at levels
17 sufficient to fully cover the cost of administering the licensing
18 program, including any costs associated with policy enhancements funded
19 in the 2003-05 fiscal biennium. Pursuant to RCW 43.135.055, during the
20 2003-05 fiscal biennium, the department may increase fees in excess of
21 the fiscal growth factor if the increases are necessary to fully fund
22 the costs of the licensing programs.

23 (2) \$95,000 of the real estate appraiser commission account--state
24 appropriation is provided solely to implement Second Substitute House
25 Bill No. 1897 (real estate appraisers). If the bill is not enacted by
26 June 30, 2004, the amount provided in this subsection shall lapse.

27 (3) \$2,000 of the master license account--state appropriation is
28 provided solely to implement Substitute House Bill No. 3082 (landlord
29 and tenant disputes). If the bill is not enacted by June 30, 2004, the
30 amount provided in this subsection shall lapse.

31 (4) \$15,000 of the general fund--state appropriation for fiscal
32 year 2005 is provided solely to implement Substitute House Bill No.
33 2313 (bail bond agents). If the bill is not enacted by June 30, 2004,
34 the amount provided in this subsection shall lapse.

35 **Sec. 402.** 2003 1st sp.s. c 25 s 402 (uncodified) is amended to
36 read as follows:

1	FOR THE STATE PATROL	
2	General Fund--State Appropriation (FY 2004)	\$20,005,000
3	General Fund--State Appropriation (FY 2005)	\$18,855,000
4	General Fund--Federal Appropriation	\$4,240,000
5	General Fund--Private/Local Appropriation	\$378,000
6	Death Investigations Account--State	
7	Appropriation	\$4,489,000
8	Public Safety and Education Account--State	
9	Appropriation	(\$20,852,000)
10		<u>\$21,969,000</u>
11	Enhanced 911 Account--State Appropriation	\$612,000
12	County Criminal Justice Assistance Account--State	
13	Appropriation	\$2,649,000
14	Municipal Criminal Justice Assistance Account--	
15	State Appropriation	\$1,087,000
16	Fire Service Trust Account--State	
17	Appropriation	\$125,000
18	Fire Service Training Account--State	
19	Appropriation	\$7,374,000
20	State Toxics Control Account--State	
21	Appropriation	\$436,000
22	Violence Reduction and Drug Enforcement Account--	
23	State Appropriation	\$286,000
24	Fingerprint Identification Account--State	
25	Appropriation	(\$4,405,000)
26		<u>\$5,393,000</u>
27	TOTAL APPROPRIATION	(\$85,793,000)
28		<u>\$87,898,000</u>

29 The appropriations in this section are subject to the following
30 conditions and limitations:

31 (1) \$750,000 of the fire service training account--state
32 appropriation is provided solely for the implementation of Senate Bill
33 No. 5176 (fire fighting training). If the bill is not enacted by June
34 30, 2003, the amount provided in this subsection shall lapse.

35 (2) \$200,000 of the fire service training account--state
36 appropriation is provided solely for two FTE's in the office of state
37 fire marshal to exclusively review K-12 construction documents for fire
38 and life safety in accordance with the state building code. It is the

1 intent of this appropriation to provide these services only to those
2 districts that are located in counties without qualified review
3 capabilities.

4 (3) \$376,000 of the public safety and education account--state
5 appropriation is provided solely for additional DNA testing kits.

6 (4) \$276,000 of the fingerprint identification account--state
7 appropriation is provided solely for the implementation of Substitute
8 House Bill No. 2532 (modifying commercial driver's license provisions).
9 If the bill is not enacted by June 30, 2004, the amount provided in
10 this subsection shall lapse.

(End of part)

PART V
EDUCATION

Sec. 501. 2003 1st sp.s. c 25 s 501 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

(1) STATE AGENCY OPERATIONS

General Fund--State Appropriation (FY 2004)	((\$11,772,000))
	<u>\$11,615,000</u>
General Fund--State Appropriation (FY 2005)	((\$11,761,000))
	<u>\$11,960,000</u>
General Fund--Federal Appropriation	((\$15,921,000))
	<u>\$26,968,000</u>
TOTAL APPROPRIATION	((\$39,454,000))
	<u>\$50,543,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(a) \$10,771,000 of the general fund--state appropriation for fiscal year 2004 and \$10,768,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the operation and expenses of the office of the superintendent of public instruction. Within the amounts provided in this subsection, the superintendent shall recognize the extraordinary accomplishments of four students who have demonstrated a strong understanding of the civics essential learning requirements to receive the Daniel J. Evans civic education award. The students selected for the award must demonstrate understanding through completion of at least one of the classroom-based civics assessment models developed by the superintendent of public instruction, and through leadership in the civic life of their communities. The superintendent shall select two students from eastern Washington and two students from western Washington to receive the award, and shall notify the governor and legislature of the names of the recipients.

(b) \$428,000 of the general fund--state appropriation for fiscal year 2004 and \$428,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities.

1 (c) \$416,000 of the general fund--state appropriation for fiscal
2 year 2004 and (~~(\$416,000)~~) \$537,000 of the general fund--state
3 appropriation for fiscal year 2005 are provided solely for the
4 operation and expenses of the Washington professional educator
5 standards board. Within the amounts provided, the Washington
6 professional educator standards board (WPESB) shall submit a report
7 regarding specific implementation strategies to strengthen reading and
8 mathematics initiatives by improving teacher knowledge and skill
9 development including: (i) Teacher preparation program approval
10 standard changes; (ii) teacher certification requirement changes and
11 the development of new expertise credentials; (iii) state-established
12 standards to guide the approval of professional development providers
13 and offerings related to reading and mathematics; and (iv) other
14 related recommendations. The WPESB shall base the recommendations on
15 determinations of the status of teacher preparation and professional
16 development opportunities and work with appropriate parties. The WPESB
17 shall submit the report to the governor, superintendent of public
18 instruction, state board of education, and the education and fiscal
19 committees of the legislature by November 1, 2004.

20 (d) (~~(\$157,000 of the general fund--state appropriation for fiscal~~
21 ~~year 2004 and \$149,000 of the general fund--state appropriation for~~
22 ~~fiscal year 2005 are provided solely for the implementation of~~
23 ~~Substitute Senate Bill No. 5012 (charter schools). If the bill is not~~
24 ~~enacted by June 30, 2003, the amounts provided in this subsection shall~~
25 ~~lapse.~~

26 (e)) The department of social and health services, the office of
27 the superintendent of public instruction, and the department of health
28 should work together to identify opportunities for early intervention
29 and prevention activities that can help prevent disease and reduce oral
30 health issues among children. Disease prevention among infants at the
31 age of one year and among children entering the K-12 education system
32 provide cost-effective ways to avoid higher health spending later in
33 life.

34 (e) \$100,000 of the general fund--state appropriation for fiscal
35 year 2005 is provided solely for the development of kindergarten
36 readiness guidelines, in collaboration with the governor's office.

37 (f) \$44,000 of the general fund--state appropriation for fiscal
38 year 2005 is provided solely to implement Substitute House Bill No.

1 2456 (school employee applicants). If Substitute House Bill No. 2456
2 is not enacted by June 30, 2004, the amount in this subsection shall
3 lapse.

4 (g) \$25,000 of the general fund--state appropriation for fiscal
5 year 2005 is provided solely to implement Engrossed Substitute House
6 Bill No. 2406 (tribal history curriculum). If Substitute House Bill
7 No. 2406 is not enacted by June 30, 2004, the amount in this subsection
8 shall lapse.

9 (h) \$48,000 of the general fund--state appropriation for fiscal
10 year 2005 is provided solely to implement Substitute House Bill No.
11 2455 (financial literacy). If Substitute House Bill No. 2455 is not
12 enacted by June 30, 2004, the amount in this subsection shall lapse.

13 (i) \$10,000 of the general fund--state appropriation for fiscal
14 year 2005 is provided solely to implement Substitute House Bill No.
15 2596 (children with disabilities). If Substitute House Bill No. 2596
16 is not enacted by June 30, 2004, the amount in this subsection shall
17 lapse.

18 (2) STATEWIDE PROGRAMS

19	General Fund--State Appropriation (FY 2004)	\$8,966,000
20	General Fund--State Appropriation (FY 2005)	(\$9,345,000)
21		<u>\$10,179,000</u>
22	General Fund--Federal Appropriation	(\$66,405,000)
23		<u>\$61,656,000</u>
24	TOTAL APPROPRIATION	(\$84,716,000)
25		<u>\$80,801,000</u>

26 The appropriations in this subsection are provided solely for the
27 statewide programs specified in this subsection and are subject to the
28 following conditions and limitations:

29 (a) HEALTH AND SAFETY

30 (i) A maximum of \$2,541,000 of the general fund--state
31 appropriation for fiscal year 2004 and a maximum of \$2,541,000 of the
32 general fund--state appropriation for fiscal year 2005 are provided for
33 a corps of nurses located at educational service districts, as
34 determined by the superintendent of public instruction, to be
35 dispatched to the most needy schools to provide direct care to
36 students, health education, and training for school staff.

37 (ii) A maximum of \$96,000 of the general fund--state appropriation
38 for fiscal year 2004 and a maximum of \$96,000 of the general fund--

1 state appropriation for fiscal year 2005 are provided for the school
2 safety center in the office of the superintendent of public instruction
3 subject to the following conditions and limitations:

4 (A) The safety center shall: Disseminate successful models of
5 school safety plans and cooperative efforts; provide assistance to
6 schools to establish a comprehensive safe school plan; select models of
7 cooperative efforts that have been proven successful; act as an
8 information dissemination and resource center when an incident occurs
9 in a school district either in Washington or in another state;
10 coordinate activities relating to school safety; review and approve
11 manuals and curricula used for school safety models and training; and
12 develop and maintain a school safety information web site.

13 (B) The superintendent of public instruction shall participate in
14 a school safety center advisory committee that includes representatives
15 of educators, classified staff, principals, superintendents,
16 administrators, the American society for industrial security, the state
17 criminal justice training commission, and others deemed appropriate and
18 approved by the school safety center advisory committee. Members of
19 the committee shall be chosen by the groups they represent. In
20 addition, the Washington association of sheriffs and police chiefs
21 shall appoint representatives of law enforcement to participate on the
22 school safety center advisory committee. The advisory committee shall
23 select a chair.

24 (C) The school safety center advisory committee shall develop a
25 training program, using the best practices in school safety, for all
26 school safety personnel.

27 (iii) A maximum of \$100,000 of the general fund--state
28 appropriation for fiscal year 2004 and a maximum of \$100,000 of the
29 general fund--state appropriation for fiscal year 2005 are provided for
30 a school safety training program provided by the criminal justice
31 training commission subject to the following conditions and
32 limitations:

33 (A) The criminal justice training commission with assistance of the
34 school safety center advisory committee established in section
35 2(b)(iii) of this section shall develop manuals and curricula for a
36 training program for all school safety personnel.

37 (B) The Washington state criminal justice training commission, in
38 collaboration with the advisory committee, shall provide the school

1 safety training for all school administrators and school safety
2 personnel, including school safety personnel hired after the effective
3 date of this section.

4 ~~((v))~~ (iv) ~~(\$13,663,000)~~ \$12,917,000 of the general fund--
5 federal appropriation is provided for safe and drug free schools and
6 communities grants for drug and violence prevention activities and
7 strategies.

8 ~~((vi))~~ (v) A maximum of \$146,000 of the general fund--state
9 appropriation for fiscal year 2004 and a maximum of \$146,000 of the
10 general fund--state appropriation for fiscal year 2005 are provided for
11 a nonviolence and leadership training program provided by the institute
12 for community leadership. The program shall provide the following:

13 (A) Statewide nonviolence leadership coaches training program for
14 certification of educational employees and community members in
15 nonviolence leadership workshops;

16 (B) Statewide leadership nonviolence student exchanges, training,
17 and speaking opportunities for student workshop participants; and

18 (C) A request for proposal process, with up to 80 percent funding,
19 for nonviolence leadership workshops serving at least 12 school
20 districts with direct programming in 36 elementary, middle, and high
21 schools throughout Washington state.

22 (vi) A maximum of \$194,000 of the general fund--state appropriation
23 for fiscal year 2005 and \$400,000 of the general fund--federal
24 appropriation transferred from the department of health are provided
25 for a program that provides grants to school districts for media
26 campaigns promoting sexual abstinence and addressing the importance of
27 delaying sexual activity, pregnancy, and childbearing until individuals
28 are ready to nurture and support their children. Grants to the school
29 districts shall be for projects that are substantially designed and
30 produced by students. The grants shall require a local private sector
31 match equal to one-half of the state grant, which may include in-kind
32 contribution of technical or other assistance from consultants or firms
33 involved in public relations, advertising, broadcasting, and graphics
34 or video production or other related fields.

35 (b) TECHNOLOGY
36 A maximum of \$1,939,000 of the general fund--state appropriation
37 for fiscal year 2004 and a maximum of \$1,939,000 of the general fund--
38 state appropriation for fiscal year 2005 are provided for K-20

1 telecommunications network technical support in the K-12 sector to
2 prevent system failures and avoid interruptions in school utilization
3 of the data processing and video-conferencing capabilities of the
4 network. These funds may be used to purchase engineering and advanced
5 technical support for the network.

6 (c) GRANTS AND ALLOCATIONS

7 (i) \$306,000 of the fiscal year 2004 appropriation and \$689,000 of
8 the fiscal year 2005 appropriation are provided solely for the special
9 services pilot projects provided by Second Substitute House Bill No.
10 2012 (special services pilot program). The office of the
11 superintendent of public instruction shall allocate these funds to the
12 district or districts participating in the pilot program according to
13 the provisions of section 2 subsection (4) of Second Substitute House
14 Bill No. 2012, chapter 33, Laws of 2003.

15 (ii) A maximum of \$761,000 of the general fund--state appropriation
16 for fiscal year 2004 and a maximum of (~~(\$757,000)~~) \$1,097,000 of the
17 general fund--state appropriation for fiscal year 2005 are provided for
18 alternative certification routes. Funds may be used by the
19 professional educator standards board to continue existing alternative-
20 route grant programs and to create new alternative-route programs in
21 regions of the state with service shortages.

22 (iii) A maximum of \$31,000 of the general fund--state appropriation
23 for fiscal year 2004 and a maximum of \$31,000 of the general fund--
24 state appropriation for fiscal year 2005 are provided for operation of
25 the Cispus environmental learning center.

26 (iv) A maximum of \$1,224,000 of the general fund--state
27 appropriation for fiscal year 2004 and a maximum of \$1,224,000 of the
28 general fund--state appropriation for fiscal year 2005 are provided for
29 in-service training and educational programs conducted by the Pacific
30 Science Center.

31 (v) A maximum of \$1,079,000 of the general fund--state
32 appropriation for fiscal year 2004 and a maximum of \$1,079,000 of the
33 general fund--state appropriation for fiscal year 2005 are provided for
34 the Washington state leadership assistance for science education reform
35 (LASER) regional partnership coordinated at the Pacific Science Center.

36 (vi) A maximum of \$97,000 of the general fund--state appropriation
37 for fiscal year 2004 and a maximum of \$97,000 of the general fund--

1 state appropriation for fiscal year 2005 are provided to support
2 vocational student leadership organizations.

3 (vii) A maximum of \$146,000 of the general fund--state
4 appropriation for fiscal year 2004 and a maximum of \$146,000 of the
5 general fund--state appropriation for fiscal year 2005 are provided for
6 the Washington civil liberties education program.

7 (viii) \$500,000 of the general fund--state appropriation for fiscal
8 year 2004 and (~~(\$500,000)~~) \$750,000 of the general fund--state
9 appropriation for fiscal year 2005 are provided solely for the
10 Washington state achievers scholarship program. The funds shall be
11 used to support community involvement officers that recruit, train, and
12 match community volunteer mentors with students selected as achievers
13 scholars.

14 (ix) (~~(\$1,433,000)~~) \$1,650,000 of the general fund--federal
15 appropriation is provided for the advanced placement fee program to
16 increase opportunities for low-income students and under-represented
17 populations to participate in advanced placement courses and to
18 increase the capacity of schools to provide advanced placement courses
19 to students.

20 (x) (~~(\$9,510,000)~~) \$9,953,000 of the general fund--federal
21 appropriation is provided for comprehensive school reform demonstration
22 projects to provide grants to low-income schools for improving student
23 achievement through adoption and implementation of research-based
24 curricula and instructional programs.

25 (xi) (~~(\$12,977,000)~~) \$12,941,000 of the general fund--federal
26 appropriation is provided for 21st century learning center grants,
27 providing after-school and inter-session activities for students.

28 (xii) \$50,000 of the general fund--state appropriation for fiscal
29 year 2005 is provided solely for expanding the World War II oral
30 history project to include the role of women during World War II. The
31 project shall be conducted in accordance with RCW 28A.300.370.

32 **Sec. 502.** 2003 1st sp.s. c 25 s 502 (uncodified) is amended to
33 read as follows:

34 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL**
35 **APPORTIONMENT**

36 General Fund--State Appropriation (FY 2004) (~~(\$3,969,407,000)~~)
37 \$3,976,507,000

1	General Fund--State Appropriation (FY 2005)	((\$3,977,209,000))
2		<u>\$3,988,248,000</u>
3	TOTAL APPROPRIATION	((\$7,946,616,000))
4		<u>\$7,964,755,000</u>

5 The appropriations in this section are subject to the following
6 conditions and limitations:

7 (1) Each general fund fiscal year appropriation includes such funds
8 as are necessary to complete the school year ending in the fiscal year
9 and for prior fiscal year adjustments.

10 (2) Allocations for certificated staff salaries for the 2003-04 and
11 2004-05 school years shall be determined using formula-generated staff
12 units calculated pursuant to this subsection. Staff allocations for
13 small school enrollments in (d) through (f) of this subsection shall be
14 reduced for vocational full-time equivalent enrollments. Staff
15 allocations for small school enrollments in grades K-6 shall be the
16 greater of that generated under (a) of this subsection, or under (d)
17 and (e) of this subsection. Certificated staffing allocations shall be
18 as follows:

19 (a) On the basis of each 1,000 average annual full-time equivalent
20 enrollments, excluding full-time equivalent enrollment otherwise
21 recognized for certificated staff unit allocations under (c) through
22 (f) of this subsection:

23 (i) Four certificated administrative staff units per thousand full-
24 time equivalent students in grades K-12;

25 (ii) 49 certificated instructional staff units per thousand full-
26 time equivalent students in grades K-3;

27 (iii) Forty-six certificated instructional staff units per thousand
28 full-time equivalent students in grades 4-12; and

29 (iv) An additional 4.2 certificated instructional staff units for
30 grades K-3 and an additional 7.2 certificated instructional staff units
31 for grade 4. Any funds allocated for the additional certificated units
32 provided in this subsection (iv) shall not be considered as basic
33 education funding;

34 (v) For class size reduction and expanded learning opportunities
35 under the better schools program, an additional 0.8 certificated
36 instructional staff units for the 2003-04 school year for grades K-4
37 per thousand full-time equivalent students. Funds allocated for these
38 additional certificated units shall not be considered as basic

1 education funding. The allocation may be used for reducing class sizes
2 in grades K-4 or to provide additional classroom contact hours for
3 kindergarten, before-and-after-school programs, weekend school
4 programs, summer school programs, and intercession opportunities to
5 assist elementary school students in meeting the essential academic
6 learning requirements and student assessment performance standards.
7 For purposes of this subsection, additional classroom contact hours
8 provided by teachers beyond the normal school day under a supplemental
9 contract shall be converted to a certificated full-time equivalent by
10 dividing the classroom contact hours by 900.

11 (A) Funds provided under this subsection (2)(a)(iv) and (v) in
12 excess of the amount required to maintain the statutory minimum ratio
13 established under RCW 28A.150.260(2)(b) shall be allocated only if the
14 district documents an actual ratio in grades K-4 equal to or greater
15 than 54.0 certificated instructional staff per thousand full-time
16 equivalent students in the 2003-04 school year and 53.2 certificated
17 instructional staff per thousand full-time equivalent students in the
18 2004-05 school year. For any school district documenting a lower
19 certificated instructional staff ratio, the allocation shall be based
20 on the district's actual grades K-4 certificated instructional staff
21 ratio achieved in that school year, or the statutory minimum ratio
22 established under RCW 28A.150.260(2)(b), if greater;

23 (B) Districts at or above 51.0 certificated instructional staff per
24 one thousand full-time equivalent students in grades K-4 may dedicate
25 up to 1.3 of the 54.0 funding ratio in the 2003-04 school year, and up
26 to 1.3 of the 53.2 funding ratio in the 2004-05 school year, to employ
27 additional classified instructional assistants assigned to basic
28 education classrooms in grades K-4. For purposes of documenting a
29 district's staff ratio under this section, funds used by the district
30 to employ additional classified instructional assistants shall be
31 converted to a certificated staff equivalent and added to the
32 district's actual certificated instructional staff ratio. Additional
33 classified instructional assistants, for the purposes of this
34 subsection, shall be determined using the 1989-90 school year as the
35 base year;

36 (C) Any district maintaining a ratio in grades K-4 equal to or
37 greater than 54.0 certificated instructional staff per thousand full-
38 time equivalent students in the 2003-04 school year and 53.2

1 certificated instructional staff per thousand full-time equivalent
2 students in the 2004-05 school year may use allocations generated under
3 this subsection (2)(a)(iv) and (v) in excess of that required to
4 maintain the minimum ratio established under RCW 28A.150.260(2)(b) to
5 employ additional basic education certificated instructional staff or
6 classified instructional assistants in grades 5-6. Funds allocated
7 under this subsection (2)(a)(iv) and (v) shall only be expended to
8 reduce class size in grades K-6. No more than 1.3 of the certificated
9 instructional funding ratio amount may be expended for provision of
10 classified instructional assistants;

11 (b) For school districts with a minimum enrollment of 250 full-time
12 equivalent students whose full-time equivalent student enrollment count
13 in a given month exceeds the first of the month full-time equivalent
14 enrollment count by 5 percent, an additional state allocation of 110
15 percent of the share that such increased enrollment would have
16 generated had such additional full-time equivalent students been
17 included in the normal enrollment count for that particular month;

18 (c)(i) On the basis of full-time equivalent enrollment in:

19 (A) Vocational education programs approved by the superintendent of
20 public instruction, a maximum of 0.92 certificated instructional staff
21 units and 0.08 certificated administrative staff units for each 19.5
22 full-time equivalent vocational students; and

23 (B) Skills center programs meeting the standards for skills center
24 funding established in January 1999 by the superintendent of public
25 instruction, 0.92 certificated instructional staff units and 0.08
26 certificated administrative units for each 16.67 full-time equivalent
27 vocational students;

28 (ii) Vocational full-time equivalent enrollment shall be reported
29 on the same monthly basis as the enrollment for students eligible for
30 basic support, and payments shall be adjusted for reported vocational
31 enrollments on the same monthly basis as those adjustments for
32 enrollment for students eligible for basic support; and

33 (iii) Indirect cost charges by a school district to vocational-
34 secondary programs shall not exceed 15 percent of the combined basic
35 education and vocational enhancement allocations of state funds;

36 (d) For districts enrolling not more than twenty-five average
37 annual full-time equivalent students in grades K-8, and for small
38 school plants within any school district which have been judged to be

1 remote and necessary by the state board of education and enroll not
2 more than twenty-five average annual full-time equivalent students in
3 grades K-8:

4 (i) For those enrolling no students in grades 7 and 8, 1.76
5 certificated instructional staff units and 0.24 certificated
6 administrative staff units for enrollment of not more than five
7 students, plus one-twentieth of a certificated instructional staff unit
8 for each additional student enrolled; and

9 (ii) For those enrolling students in grades 7 or 8, 1.68
10 certificated instructional staff units and 0.32 certificated
11 administrative staff units for enrollment of not more than five
12 students, plus one-tenth of a certificated instructional staff unit for
13 each additional student enrolled;

14 (e) For specified enrollments in districts enrolling more than
15 twenty-five but not more than one hundred average annual full-time
16 equivalent students in grades K-8, and for small school plants within
17 any school district which enroll more than twenty-five average annual
18 full-time equivalent students in grades K-8 and have been judged to be
19 remote and necessary by the state board of education:

20 (i) For enrollment of up to sixty annual average full-time
21 equivalent students in grades K-6, 2.76 certificated instructional
22 staff units and 0.24 certificated administrative staff units; and

23 (ii) For enrollment of up to twenty annual average full-time
24 equivalent students in grades 7 and 8, 0.92 certificated instructional
25 staff units and 0.08 certificated administrative staff units;

26 (f) For districts operating no more than two high schools with
27 enrollments of less than three hundred average annual full-time
28 equivalent students, for enrollment in grades 9-12 in each such school,
29 other than alternative schools:

30 (i) For remote and necessary schools enrolling students in any
31 grades 9-12 but no more than twenty-five average annual full-time
32 equivalent students in grades K-12, four and one-half certificated
33 instructional staff units and one-quarter of a certificated
34 administrative staff unit;

35 (ii) For all other small high schools under this subsection, nine
36 certificated instructional staff units and one-half of a certificated
37 administrative staff unit for the first sixty average annual full time
38 equivalent students, and additional staff units based on a ratio of

1 0.8732 certificated instructional staff units and 0.1268 certificated
2 administrative staff units per each additional forty-three and one-half
3 average annual full time equivalent students.

4 Units calculated under (f)(ii) of this subsection shall be reduced
5 by certificated staff units at the rate of forty-six certificated
6 instructional staff units and four certificated administrative staff
7 units per thousand vocational full-time equivalent students;

8 (g) For each nonhigh school district having an enrollment of more
9 than seventy annual average full-time equivalent students and less than
10 one hundred eighty students, operating a grades K-8 program or a grades
11 1-8 program, an additional one-half of a certificated instructional
12 staff unit; and

13 (h) For each nonhigh school district having an enrollment of more
14 than fifty annual average full-time equivalent students and less than
15 one hundred eighty students, operating a grades K-6 program or a grades
16 1-6 program, an additional one-half of a certificated instructional
17 staff unit.

18 (3) Allocations for classified salaries for the 2003-04 and 2004-05
19 school years shall be calculated using formula-generated classified
20 staff units determined as follows:

21 (a) For enrollments generating certificated staff unit allocations
22 under subsection (2)(d) through (h) of this section, one classified
23 staff unit for each three certificated staff units allocated under such
24 subsections;

25 (b) For all other enrollment in grades K-12, including vocational
26 full-time equivalent enrollments, one classified staff unit for each
27 sixty average annual full-time equivalent students; and

28 (c) For each nonhigh school district with an enrollment of more
29 than fifty annual average full-time equivalent students and less than
30 one hundred eighty students, an additional one-half of a classified
31 staff unit.

32 (4) Fringe benefit allocations shall be calculated at a rate of
33 9.68 percent in the 2003-04 school year and (~~9.68~~) 9.69 percent in
34 the 2004-05 school year for certificated salary allocations provided
35 under subsection (2) of this section, and a rate of 12.25 percent in
36 the 2003-04 school year and 12.25 percent in the 2004-05 school year
37 for classified salary allocations provided under subsection (3) of this
38 section.

1 (5) Insurance benefit allocations shall be calculated at the
2 maintenance rate specified in section 504(2) of this act, based on the
3 number of benefit units determined as follows:

4 (a) The number of certificated staff units determined in subsection
5 (2) of this section; and

6 (b) The number of classified staff units determined in subsection
7 (3) of this section multiplied by 1.152. This factor is intended to
8 adjust allocations so that, for the purposes of distributing insurance
9 benefits, full-time equivalent classified employees may be calculated
10 on the basis of 1440 hours of work per year, with no individual
11 employee counted as more than one full-time equivalent.

12 (6)(a) For nonemployee-related costs associated with each
13 certificated staff unit allocated under subsection (2)(a), (b), and (d)
14 through (h) of this section, there shall be provided a maximum of
15 \$8,785 per certificated staff unit in the 2003-04 school year and a
16 maximum of (~~(\$8,952)~~) \$8,855 per certificated staff unit in the 2004-05
17 school year.

18 (b) For nonemployee-related costs associated with each vocational
19 certificated staff unit allocated under subsection (2)(c)(i)(A) of this
20 section, there shall be provided a maximum of \$21,573 per certificated
21 staff unit in the 2003-04 school year and a maximum of (~~(\$21,983)~~)
22 \$21,746 per certificated staff unit in the 2004-05 school year.

23 (c) For nonemployee-related costs associated with each vocational
24 certificated staff unit allocated under subsection (2)(c)(i)(B) of this
25 section, there shall be provided a maximum of \$16,739 per certificated
26 staff unit in the 2003-04 school year and a maximum of (~~(\$17,057)~~)
27 \$16,873 per certificated staff unit in the 2004-05 school year.

28 (7) Allocations for substitute costs for classroom teachers shall
29 be distributed at a maintenance rate of \$531.09 for the 2003-04 and
30 2004-05 school years per allocated classroom teachers exclusive of
31 salary increase amounts provided in section 504 of this act. Solely
32 for the purposes of this subsection, allocated classroom teachers shall
33 be equal to the number of certificated instructional staff units
34 allocated under subsection (2) of this section, multiplied by the ratio
35 between the number of actual basic education certificated teachers and
36 the number of actual basic education certificated instructional staff
37 reported statewide for the prior school year.

1 (8) Any school district board of directors may petition the
2 superintendent of public instruction by submission of a resolution
3 adopted in a public meeting to reduce or delay any portion of its basic
4 education allocation for any school year. The superintendent of public
5 instruction shall approve such reduction or delay if it does not impair
6 the district's financial condition. Any delay shall not be for more
7 than two school years. Any reduction or delay shall have no impact on
8 levy authority pursuant to RCW 84.52.0531 and local effort assistance
9 pursuant to chapter 28A.500 RCW.

10 (9) The superintendent may distribute a maximum of (~~(\$6,392,000)~~)
11 \$6,385,000 outside the basic education formula during fiscal years 2004
12 and 2005 as follows:

13 (a) For fire protection for school districts located in a fire
14 protection district as now or hereafter established pursuant to chapter
15 52.04 RCW, a maximum of \$495,000 may be expended in fiscal year 2004
16 and a maximum of (~~(\$504,000)~~) \$499,000 may be expended in fiscal year
17 2005;

18 (b) For summer vocational programs at skills centers, a maximum of
19 \$2,035,000 may be expended for the 2004 fiscal year and a maximum of
20 \$2,035,000 for the 2005 fiscal year;

21 (c) A maximum of (~~(\$353,000)~~) \$351,000 may be expended for school
22 district emergencies; and

23 (d) A maximum of \$485,000 each fiscal year may be expended for
24 programs providing skills training for secondary students who are
25 enrolled in extended day school-to-work programs, as approved by the
26 superintendent of public instruction. The funds shall be allocated at
27 a rate not to exceed \$500 per full-time equivalent student enrolled in
28 those programs.

29 (10) For purposes of RCW 84.52.0531, the increase per full-time
30 equivalent student is 3.4 percent from the 2002-03 school year to the
31 2003-04 school year and 2.5 percent from the 2003-04 school year to the
32 2004-05 school year.

33 (11) If two or more school districts consolidate and each district
34 was receiving additional basic education formula staff units pursuant
35 to subsection (2)(b) through (h) of this section, the following shall
36 apply:

37 (a) For three school years following consolidation, the number of

1 basic education formula staff units shall not be less than the number
2 of basic education formula staff units received by the districts in the
3 school year prior to the consolidation; and

4 (b) For the fourth through eighth school years following
5 consolidation, the difference between the basic education formula staff
6 units received by the districts for the school year prior to
7 consolidation and the basic education formula staff units after
8 consolidation pursuant to subsection (2)(a) through (h) of this section
9 shall be reduced in increments of twenty percent per year.

10 ~~((12) \$159,000 of the general fund state appropriation for fiscal~~
11 ~~year 2004 and \$1,181,000 of the general fund state appropriation for~~
12 ~~fiscal year 2005 are provided solely for the implementation of~~
13 ~~Substitute Senate Bill No. 5012 (charter schools). If the bill is not~~
14 ~~enacted by June 30, 2003, the amounts provided in this subsection shall~~
15 ~~lapse.))~~

16 **Sec. 503.** 2003 1st sp.s. c 25 s 504 (uncodified) is amended to
17 read as follows:

18 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**
19 **COMPENSATION ADJUSTMENTS**

20	General Fund--State Appropriation (FY 2004)	((\$28,511,000))
21		<u>\$28,604,000</u>
22	General Fund--State Appropriation (FY 2005)	((\$116,670,000))
23		<u>\$141,659,000</u>
24	General Fund--Federal Appropriation	((\$559,000))
25		<u>\$674,000</u>
26	TOTAL APPROPRIATION	((\$145,740,000))
27		<u>\$170,937,000</u>

28 The appropriations in this section are subject to the following
29 conditions and limitations:

30 (1) ((~~\$8,913,000~~)) \$8,944,000 of the general fund--state
31 appropriation for fiscal year 2004 and ((~~\$20,238,000~~)) \$20,343,000 of
32 the general fund--state appropriation for fiscal year 2005 are provided
33 solely to provide a salary adjustment for state formula certificated
34 instructional staff units in their first seven years of service.
35 Consistent with the statewide certificated instructional staff salary
36 allocation schedule in section 503 of this act, sufficient funding is
37 provided to increase the salary of certificated instructional staff

1 units in the 2003-04 school year and the 2004-05 school year by the
2 following percentages: Three percent for certificated instructional
3 staff in their first and second years of service; two and one-half
4 percent for certificated instructional staff in their third year of
5 service; one and one-half percent for certificated instructional staff
6 in their fourth year of service; one percent for certificated
7 instructional staff in their fifth year of service; and one-half of a
8 percent for certificated instructional staff in their sixth and seventh
9 years of service. These increases will take effect September 1, 2003
10 and September 1, 2004.

11 (a) In order to receive funding provided in this subsection, school
12 districts shall certify to the office of superintendent of public
13 instruction that they will provide the percentage increases in the
14 amounts specified in this subsection. In cases where a school district
15 providing the increases in the amounts specified in this subsection
16 would cause that school district to be out of compliance with RCW
17 28A.400.200, they may provide salary increases in different amounts but
18 only to the extent necessary to come into compliance with RCW
19 28A.400.200. Funds provided in this subsection shall be used
20 exclusively for providing the percentage increases specified in this
21 subsection to the certificated staff units in their first seven years
22 of service and shall not be used to supplant any other state or local
23 funding for compensation for these staff.

24 (b) The appropriations include associated incremental fringe
25 benefit allocations at rates of 9.04 percent for school year 2003-04
26 and (~~(9.04)~~) 9.05 percent for school year 2004-05 for certificated
27 staff. Increases for general apportionment (basic education) are based
28 on the salary allocation schedules and methodology in sections 502 and
29 503 of this act. Increases for special education result from increases
30 in each district's basic education allocation per student. Increases
31 for educational service districts and institutional education programs
32 are determined by the superintendent of public instruction using the
33 methodology for general apportionment salaries and benefits in sections
34 502 and 503 of this act.

35 (2) The appropriations in this section provide salary adjustments
36 and incremental fringe benefit allocations based on formula adjustments
37 as follows:

	School Year	
	2003-04	2004-05
Highly Capable (per formula student)	\$0.93	\$1.89
Transitional Bilingual Education (per eligible bilingual student)	\$2.45	\$4.97
Learning Assistance (per entitlement unit)	\$0.69	\$1.40

(3) (~~(\$116,483,000)~~) \$140,976,000 is provided for adjustments to insurance benefit allocations. The maintenance rate for insurance benefit allocations is \$457.07 per month for the 2003-04 and 2004-05 school years. The appropriations in this section provide for a rate increase to \$481.31 per month for the 2003-04 school year and (~~(\$570.74)~~) \$600.85 per month for the 2004-05 school year at the following rates:

	School Year		
	2003-04	2004-05	
Pupil Transportation (per weighted pupil mile)	\$0.22	((\$1.03))	<u>\$1.31</u>
Highly Capable (per formula student)	\$1.52	((\$7.00))	<u>\$8.85</u>
Transitional Bilingual Education (per eligible bilingual student)	\$3.92	((\$18.40))	<u>\$23.28</u>
Learning Assistance (per entitlement unit)	\$3.08	((\$14.46))	<u>\$18.29</u>

(4) The rates specified in this section are subject to revision each year by the legislature.

Sec. 504. 2003 1st sp.s. c 25 s 505 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION			
General Fund--State Appropriation (FY 2004)	((\$201,638,000))		
		<u>\$215,454,000</u>	
General Fund--State Appropriation (FY 2005)	((\$210,279,000))		
		<u>\$219,899,000</u>	
TOTAL APPROPRIATION	((\$411,917,000))		
		<u>\$435,353,000</u>	

The appropriations in this section are subject to the following conditions and limitations:

(1) Each general fund fiscal year appropriation includes such funds

1 as are necessary to complete the school year ending in the fiscal year
2 and for prior fiscal year adjustments.

3 (2) A maximum of \$768,000 of this fiscal year 2004 appropriation
4 and a maximum of (~~(\$782,000)~~) \$774,000 of the fiscal year 2005
5 appropriation may be expended for regional transportation coordinators
6 and related activities. The transportation coordinators shall ensure
7 that data submitted by school districts for state transportation
8 funding shall, to the greatest extent practical, reflect the actual
9 transportation activity of each district.

10 (3) \$5,000 of the fiscal year 2004 appropriation and \$5,000 of the
11 fiscal year 2005 appropriation are provided solely for the
12 transportation of students enrolled in "choice" programs.
13 Transportation shall be limited to low-income students who are
14 transferring to "choice" programs solely for educational reasons.

15 (4) Allocations for transportation of students shall be based on
16 reimbursement rates of \$39.21 per weighted mile in the 2003-04 school
17 year and (~~(\$39.43)~~) \$39.30 per weighted mile in the 2004-05 school year
18 exclusive of salary and benefit adjustments provided in section 504 of
19 this act. Allocations for transportation of students transported more
20 than one radius mile shall be based on weighted miles as determined by
21 superintendent of public instruction multiplied by the per mile
22 reimbursement rates for the school year pursuant to the formulas
23 adopted by the superintendent of public instruction. Allocations for
24 transportation of students living within one radius mile shall be based
25 on the number of enrolled students in grades kindergarten through five
26 living within one radius mile of their assigned school multiplied by
27 the per mile reimbursement rate for the school year multiplied by 1.29.

28 (~~(5) Beginning with busses purchased on or after July 1, 2003, the~~
29 ~~office of superintendent of public instruction shall provide~~
30 ~~reimbursement funding to a school district only after the~~
31 ~~superintendent of public instruction determines that the school bus was~~
32 ~~purchased from the list established pursuant to RCW 28A.160.195(2) or~~
33 ~~a comparable competitive bid process based on the lowest price quote~~
34 ~~based on similar bus categories to those used to establish the list~~
35 ~~pursuant to RCW 28A.160.195. The competitive specifications shall meet~~
36 ~~federal motor vehicle safety standards, minimum state specifications as~~
37 ~~established by rule by the superintendent, and supported options as~~

1 ~~determined by the superintendent in consultation with the regional~~
2 ~~transportation coordinators of the educational service districts.))~~

3 **Sec. 505.** 2003 1st sp.s. c 25 s 506 (uncodified) is amended to
4 read as follows:

5 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE**
6 **PROGRAMS**

7	General Fund--State Appropriation (FY 2004)	\$3,100,000
8	General Fund--State Appropriation (FY 2005)	\$3,100,000
9	General Fund--Federal Appropriation	((\$272,069,000))
10		<u>\$252,128,000</u>
11	TOTAL APPROPRIATION	((\$278,269,000))
12		<u>\$258,328,000</u>

13 The appropriations in this section are subject to the following
14 conditions and limitations:

15 (1) \$3,000,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$3,000,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided for state matching money for federal
18 child nutrition programs.

19 (2) \$100,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$100,000 of the 2005 fiscal year appropriation are
21 provided for summer food programs for children in low-income areas.

22 **Sec. 506.** 2003 1st sp.s. c 25 s 507 (uncodified) is amended to
23 read as follows:

24 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION**
25 **PROGRAMS**

26	General Fund--State Appropriation (FY 2004)	((\$433,984,000))
27		<u>\$435,061,000</u>
28	General Fund--State Appropriation (FY 2005)	((\$427,214,000))
29		<u>\$427,763,000</u>
30	General Fund--Federal Appropriation	((\$409,637,000))
31		<u>\$425,489,000</u>
32	TOTAL APPROPRIATION	((\$1,270,835,000))
33		<u>\$1,288,313,000</u>

34 The appropriations in this section are subject to the following
35 conditions and limitations:

1 (1) Funding for special education programs is provided on an excess
2 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure
3 that special education students as a class receive their full share of
4 the general apportionment allocation accruing through sections 502 and
5 504 of this act. To the extent a school district cannot provide an
6 appropriate education for special education students under chapter
7 28A.155 RCW through the general apportionment allocation, it shall
8 provide services through the special education excess cost allocation
9 funded in this section.

10 (2)(a) The superintendent of public instruction shall use the
11 excess cost methodology developed and implemented for the 2001-02
12 school year using the S-275 personnel reporting system and all related
13 accounting requirements to ensure that:

- 14 (i) Special education students are basic education students first;
- 15 (ii) As a class, special education students are entitled to the
16 full basic education allocation; and
- 17 (iii) Special education students are basic education students for
18 the entire school day.

19 (b) The S-275 and accounting changes in effect since the 2001-02
20 school year shall supercede any prior excess cost methodologies and
21 shall be required of all school districts.

22 (3) Each fiscal year appropriation includes such funds as are
23 necessary to complete the school year ending in the fiscal year and for
24 prior fiscal year adjustments.

25 (4) The superintendent of public instruction shall distribute state
26 and federal funds to school districts based on two categories: The
27 optional birth through age two program for special education eligible
28 developmentally delayed infants and toddlers, and the mandatory special
29 education program for special education eligible students ages three to
30 twenty-one. A "special education eligible student" means a student
31 receiving specially designed instruction in accordance with a properly
32 formulated individualized education program.

33 (5)(a) For the 2003-04 and 2004-05 school years, the superintendent
34 shall make allocations to each district based on the sum of:

- 35 (i) A district's annual average headcount enrollment of
36 developmentally delayed infants and toddlers ages birth through two,
37 multiplied by the district's average basic education allocation per
38 full-time equivalent student, multiplied by 1.15; and

1 (ii) A district's annual average full-time equivalent basic
2 education enrollment multiplied by the funded enrollment percent
3 determined pursuant to subsection (6)(b) of this section, multiplied by
4 the district's average basic education allocation per full-time
5 equivalent student multiplied by 0.9309.

6 (b) For purposes of this subsection, "average basic education
7 allocation per full-time equivalent student" for a district shall be
8 based on the staffing ratios required by RCW 28A.150.260 and shall not
9 include enhancements, secondary vocational education, or small schools.

10 (6) The definitions in this subsection apply throughout this
11 section.

12 (a) "Annual average full-time equivalent basic education
13 enrollment" means the resident enrollment including students enrolled
14 through choice (RCW 28A.225.225) and students from nonhigh districts
15 (RCW 28A.225.210) and excluding students residing in another district
16 enrolled as part of an interdistrict cooperative program (RCW
17 28A.225.250).

18 (b) "Enrollment percent" means the district's resident special
19 education annual average enrollment, excluding the birth through age
20 two enrollment, as a percent of the district's annual average full-time
21 equivalent basic education enrollment.

22 Each district's general fund--state funded special education
23 enrollment shall be the lesser of the district's actual enrollment
24 percent or 12.7 percent. Increases in enrollment percent from 12.7
25 percent to 13.0 percent shall be funded from the general fund--federal
26 appropriation.

27 (7) At the request of any interdistrict cooperative of at least 15
28 districts in which all excess cost services for special education
29 students of the districts are provided by the cooperative, the maximum
30 enrollment percent shall be calculated in accordance with subsection
31 (6)(b) of this section, and shall be calculated in the aggregate rather
32 than individual district units. For purposes of this subsection, the
33 average basic education allocation per full-time equivalent student
34 shall be calculated in the aggregate rather than individual district
35 units.

36 (8) To the extent necessary, \$25,746,000 of the general fund--
37 federal appropriation is provided for safety net awards for districts
38 with demonstrated needs for state special education funding beyond the

1 amounts provided in subsection (5) of this section. If safety net
2 awards exceed the amount appropriated in this subsection (8), the
3 superintendent shall expend all available federal discretionary funds
4 necessary to meet this need. Safety net funds shall be awarded by the
5 state safety net oversight committee subject to the following
6 conditions and limitations:

7 (a) The committee shall consider unmet needs for districts that can
8 convincingly demonstrate that all legitimate expenditures for special
9 education exceed all available revenues from state funding formulas.
10 In the determination of need, the committee shall also consider
11 additional available revenues from federal and local sources.
12 Differences in program costs attributable to district philosophy,
13 service delivery choice, or accounting practices are not a legitimate
14 basis for safety net awards.

15 (b) The committee shall then consider the extraordinary high cost
16 needs of one or more individual special education students.
17 Differences in costs attributable to district philosophy, service
18 delivery choice, or accounting practices are not a legitimate basis for
19 safety net awards.

20 (c) The maximum allowable indirect cost for calculating safety net
21 eligibility may not exceed the federal restricted indirect cost rate
22 for the district plus one percent.

23 (d) Safety net awards shall be adjusted based on the percent of
24 potential medicaid eligible students billed as calculated by the
25 superintendent in accordance with chapter 318, Laws of 1999.

26 (e) Safety net awards must be adjusted for any audit findings or
27 exceptions related to special education funding.

28 (9) The superintendent of public instruction may adopt such rules
29 and procedures as are necessary to administer the special education
30 funding and safety net award process. Prior to revising any standards,
31 procedures, or rules, the superintendent shall consult with the office
32 of financial management and the fiscal committees of the legislature.

33 (10) The safety net oversight committee appointed by the
34 superintendent of public instruction shall consist of:

35 (a) One staff from the office of superintendent of public
36 instruction;

37 (b) Staff of the office of the state auditor; and

1 (c) One or more representatives from school districts or
2 educational service districts knowledgeable of special education
3 programs and funding.

4 (11) A maximum of \$678,000 may be expended from the general fund--
5 state appropriations to fund 5.43 full-time equivalent teachers and 2.1
6 full-time equivalent aides at children's orthopedic hospital and
7 medical center. This amount is in lieu of money provided through the
8 home and hospital allocation and the special education program.

9 (12) \$1,000,000 of the general fund--federal appropriation is
10 provided for projects to provide special education students with
11 appropriate job and independent living skills, including work
12 experience where possible, to facilitate their successful transition
13 out of the public school system. The funds provided by this subsection
14 shall be from federal discretionary grants.

15 (13) The superintendent shall maintain the percentage of federal
16 flow-through to school districts at 85 percent. In addition to other
17 purposes, school districts may use increased federal funds for high-
18 cost students, for purchasing regional special education services from
19 educational service districts, and for staff development activities
20 particularly relating to inclusion issues.

21 (14) A maximum of \$1,200,000 of the general fund--federal
22 appropriation may be expended by the superintendent for projects
23 related to use of inclusion strategies by school districts for
24 provision of special education services. The superintendent shall
25 prepare an information database on laws, best practices, examples of
26 programs, and recommended resources. The information may be
27 disseminated in a variety of ways, including workshops and other staff
28 development activities.

29 (15) A school district may carry over from one year to the next
30 year up to 10 percent of general fund--state funds allocated under this
31 program; however, carry over funds shall be expended in the special
32 education program.

33 **Sec. 507.** 2003 1st sp.s. c 25 s 508 (uncodified) is amended to
34 read as follows:

35 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE**
36 **DISTRICTS**

37 General Fund--State Appropriation (FY 2004) \$3,538,000

1 General Fund--State Appropriation (FY 2005) (~~(\$3,537,000)~~)
2 \$3,538,000
3 TOTAL APPROPRIATION (~~(\$7,075,000)~~)
4 \$7,076,000

5 The appropriations in this section are subject to the following
6 conditions and limitations:

7 (1) The educational service districts shall continue to furnish
8 financial services required by the superintendent of public instruction
9 and RCW 28A.310.190 (3) and (4).

10 (2) The educational service districts, at the request of the state
11 board of education pursuant to RCW 28A.310.010 and 28A.310.340, may
12 receive and screen applications for school accreditation, conduct
13 school accreditation site visits pursuant to state board of education
14 rules, and submit to the state board of education post-site visit
15 recommendations for school accreditation. The educational service
16 districts may assess a cooperative service fee to recover actual plus
17 reasonable indirect costs for the purposes of this subsection.

18 **Sec. 508.** 2003 1st sp.s. c 25 s 509 (uncodified) is amended to
19 read as follows:

20 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT**
21 **ASSISTANCE**

22 General Fund--State Appropriation (FY 2004) (~~(\$162,236,000)~~)
23 \$163,049,000
24 General Fund--State Appropriation (FY 2005) (~~(\$167,073,000)~~)
25 \$161,945,000
26 TOTAL APPROPRIATION (~~(\$329,309,000)~~)
27 \$324,994,000

28 **Sec. 509.** 2003 1st sp.s. c 25 s 510 (uncodified) is amended to
29 read as follows:

30 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL**
31 **EDUCATION PROGRAMS**

32 General Fund--State Appropriation (FY 2004) (~~(\$18,596,000)~~)
33 \$18,207,000
34 General Fund--State Appropriation (FY 2005) (~~(\$19,092,000)~~)
35 \$18,176,000
36 TOTAL APPROPRIATION (~~(\$37,688,000)~~)

The appropriations in this section are subject to the following conditions and limitations:

(1) Each general fund--state fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.

(2) State funding provided under this section is based on salaries and other expenditures for a 220-day school year. The superintendent of public instruction shall monitor school district expenditure plans for institutional education programs to ensure that districts plan for a full-time summer program.

(3) State funding for each institutional education program shall be based on the institution's annual average full-time equivalent student enrollment. Staffing ratios for each category of institution shall remain the same as those funded in the 1995-97 biennium.

(4) The funded staffing ratios for education programs for juveniles age 18 or less in department of corrections facilities shall be the same as those provided in the 1997-99 biennium.

(5) ((~~\$279,000~~)) \$190,000 of the general fund--state appropriation for fiscal year 2004 and ((~~\$286,000~~)) \$142,000 of the general fund--state appropriation for fiscal year 2005 are provided solely to maintain at least one certificated instructional staff and related support services at an institution whenever the K-12 enrollment is not sufficient to support one full-time equivalent certificated instructional staff to furnish the educational program. The following types of institutions are included: Residential programs under the department of social and health services for developmentally disabled juveniles, programs for juveniles under the department of corrections, and programs for juveniles under the juvenile rehabilitation administration.

(6) Ten percent of the funds allocated for each institution may be carried over from one year to the next.

Sec. 510. 2003 1st sp.s. c 25 s 511 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS

General Fund--State Appropriation (FY 2004) ((~~\$6,597,000~~))

1		<u>\$6,620,000</u>
2	General Fund--State Appropriation (FY 2005)	((\$6,614,000))
3		<u>\$6,632,000</u>
4	TOTAL APPROPRIATION	((\$13,211,000))
5		<u>\$13,252,000</u>

6 The appropriations in this section are subject to the following
7 conditions and limitations:

8 (1) Each general fund fiscal year appropriation includes such funds
9 as are necessary to complete the school year ending in the fiscal year
10 and for prior fiscal year adjustments.

11 (2) Allocations for school district programs for highly capable
12 students shall be distributed at a maximum rate of \$334.89 per funded
13 student for the 2003-04 school year and ((~~\$334.89~~)) \$334.91 per funded
14 student for the 2004-05 school year, exclusive of salary and benefit
15 adjustments pursuant to section 504 of this act. The number of funded
16 students shall be a maximum of two percent of each district's full-time
17 equivalent basic education enrollment.

18 (3) \$170,000 of the fiscal year 2004 appropriation and \$170,000 of
19 the fiscal year 2005 appropriation are provided for the centrum program
20 at Fort Worden state park.

21 (4) \$90,000 of the fiscal year 2004 appropriation and \$90,000 of
22 the fiscal year 2005 appropriation are provided for the Washington
23 destination imagination network and future problem-solving programs.

24 **Sec. 511.** 2003 1st sp.s. c 25 s 512 (uncodified) is amended to
25 read as follows:

26 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR MISCELLANEOUS**
27 **PURPOSES UNDER THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT AND**
28 **THE NO CHILD LEFT BEHIND ACT**

29	General Fund--Federal Appropriation	((\$46,198,000))
30		<u>\$42,817,000</u>

31 **Sec. 512.** 2003 1st sp.s. c 25 s 513 (uncodified) is amended to
32 read as follows:

33 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM**
34 **PROGRAMS**

35	General Fund--State Appropriation (FY 2004)	((\$39,107,000))
36		<u>\$38,292,000</u>

1	General Fund--State Appropriation (FY 2005)	((\$36,501,000))
2		<u>\$38,220,000</u>
3	General Fund--Federal Appropriation	((\$128,402,000))
4		<u>\$164,037,000</u>
5	TOTAL APPROPRIATION	((\$204,010,000))
6		<u>\$240,549,000</u>

7 The appropriations in this section are subject to the following
8 conditions and limitations:

9 (1) \$310,000 of the general fund--state appropriation for fiscal
10 year 2004 and \$310,000 of the general fund--state appropriation for
11 fiscal year 2005 are provided solely for the academic achievement and
12 accountability commission.

13 (2) (~~(\$16,050,000)~~) \$15,486,000 of the general fund--state
14 appropriation for fiscal year 2004, (~~(\$12,511,000)~~) \$13,414,000 of the
15 general fund--state appropriation for fiscal year 2005, and
16 (~~(\$15,455,000)~~) \$12,310,000 of the general fund--federal appropriation
17 are provided solely for development and implementation of the
18 Washington assessments of student learning(~~(. Of the general fund--~~
19 ~~state amounts provided:~~

20 ~~(a) \$222,000 in fiscal year 2004 and \$244,000 in fiscal year 2005~~
21 ~~are for providing high school students who are not successful in one or~~
22 ~~more content areas of the Washington assessment of student learning the~~
23 ~~opportunity to retake the test and \$75,000 of the fiscal year 2004~~
24 ~~appropriation is provided for developing alternative assessments as~~
25 ~~provided in Engrossed Substitute House Bill No. 2195 (state academic~~
26 ~~standards). If Engrossed Substitute House Bill No. 2195 is not enacted~~
27 ~~by June 30, 2003, the amounts in this subsection (a) shall lapse.~~

28 ~~(b) \$300,000 in fiscal year 2004 is for independent research on the~~
29 ~~alignment and technical review of the reading, writing, and science~~
30 ~~content areas of the Washington assessment of student learning, as~~
31 ~~provided by Engrossed Substitute House Bill No. 2195 (state academic~~
32 ~~standards). If Engrossed Substitute House Bill No. 2195 is not enacted~~
33 ~~by June 30, 2003, the amount in this subsection (b) shall lapse))~~
34 (WASL), including development and implementation of retake assessments
35 for high school students who are not successful in one or more content
36 areas of the WASL, development of alternative assessments or appeals
37 procedures to implement the certificate of academic achievement, and

1 independent research on the alignment and technical review of reading,
2 writing, and science.

3 (3) \$548,000 of the fiscal year 2004 general fund--state
4 appropriation and \$548,000 of the fiscal year 2005 general fund--state
5 appropriation are provided solely for training of paraprofessional
6 classroom assistants and certificated staff who work with classroom
7 assistants as provided in RCW 28A.415.310.

8 (4) \$2,348,000 of the general fund--state appropriation for fiscal
9 year 2004 and \$2,348,000 of the general fund--state appropriation for
10 fiscal year 2005 are provided solely for mentor teacher assistance,
11 including state support activities, under RCW 28A.415.250 and
12 28A.415.260, and for a mentor academy. Up to \$200,000 of the amount in
13 this subsection may be used each fiscal year to operate a mentor
14 academy to help districts provide effective training for peer mentors.
15 Funds for the teacher assistance program shall be allocated to school
16 districts based on the number of first year beginning teachers.

17 (a) A teacher assistance program is a program that provides to a
18 first year beginning teacher peer mentor services that include but are
19 not limited to:

20 (i) An orientation process and individualized assistance to help
21 beginning teachers who have been hired prior to the start of the school
22 year prepare for the start of a school year;

23 (ii) The assignment of a peer mentor whose responsibilities to the
24 beginning teacher include but are not limited to constructive feedback,
25 the modeling of instructional strategies, and frequent meetings and
26 other forms of contact;

27 (iii) The provision by peer mentors of strategies, training, and
28 guidance in critical areas such as classroom management, student
29 discipline, curriculum management, instructional skill, assessment,
30 communication skills, and professional conduct. A district may provide
31 these components through a variety of means including one-on-one
32 contact and workshops offered by peer mentors to groups, including
33 cohort groups, of beginning teachers;

34 (iv) The provision of release time, substitutes, mentor training in
35 observation techniques, and other measures for both peer mentors and
36 beginning teachers, to allow each an adequate amount of time to observe
37 the other and to provide the classroom experience that each needs to
38 work together effectively;

1 (v) Assistance in the incorporation of the essential academic
2 learning requirements into instructional plans and in the development
3 of complex teaching strategies, including strategies to raise the
4 achievement of students with diverse learning styles and backgrounds;
5 and

6 (vi) Guidance and assistance in the development and implementation
7 of a professional growth plan. The plan shall include a professional
8 self-evaluation component and one or more informal performance
9 assessments. A peer mentor may not be involved in any evaluation under
10 RCW 28A.405.100 of a beginning teacher whom the peer mentor has
11 assisted through this program.

12 (b) In addition to the services provided in (a) of this subsection,
13 an eligible peer mentor program shall include but is not limited to the
14 following components:

15 (i) Strong collaboration among the peer mentor, the beginning
16 teacher's principal, and the beginning teacher;

17 (ii) Stipends for peer mentors and, at the option of a district,
18 for beginning teachers. The stipends shall not be deemed compensation
19 for the purposes of salary lid compliance under RCW 28A.400.200 and are
20 not subject to the continuing contract provisions of Title 28A RCW; and

21 (iii) To the extent that resources are available for this purpose
22 and that assistance to beginning teachers is not adversely impacted,
23 the program may serve second year and more experienced teachers who
24 request the assistance of peer mentors.

25 (5) \$1,959,000 of the general fund--state appropriation for fiscal
26 year 2004 and \$1,959,000 of the general fund--state appropriation for
27 fiscal year 2005 are provided solely for improving technology
28 infrastructure, monitoring and reporting on school district technology
29 development, promoting standards for school district technology,
30 promoting statewide coordination and planning for technology
31 development, and providing regional educational technology support
32 centers, including state support activities, under chapter 28A.650 RCW.
33 The superintendent of public instruction shall coordinate a process to
34 facilitate the evaluation and provision of online curriculum courses to
35 school districts which includes the following: Creation of a general
36 listing of the types of available online curriculum courses; a survey
37 conducted by each regional educational technology support center of
38 school districts in its region regarding the types of online curriculum

1 courses desired by school districts; a process to evaluate and
2 recommend to school districts the best online courses in terms of
3 curriculum, student performance, and cost; and assistance to school
4 districts in procuring and providing the courses to students.

5 (6) \$3,594,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$3,594,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely for grants to school districts to
8 provide a continuum of care for children and families to help children
9 become ready to learn. Grant proposals from school districts shall
10 contain local plans designed collaboratively with community service
11 providers. If a continuum of care program exists in the area in which
12 the school district is located, the local plan shall provide for
13 coordination with existing programs to the greatest extent possible.
14 Grant funds shall be allocated pursuant to RCW 70.190.040.

15 (7) \$2,500,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$2,500,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for the meals for kids program
18 under RCW 28A.235.145 through 28A.235.155. In fiscal year 2005, funds
19 provided in this subsection shall also be used to implement House Bill
20 No. 2769 (reducing hunger) by providing school districts with grants
21 for equipment and start-up costs for new meal programs resulting from
22 the enactment of the bill.

23 (8) An additional \$11,000 of the general fund--state appropriation
24 for fiscal year 2005 is provided solely for grants to school districts
25 to implement Engrossed Second Substitute House Bill No. 2769 (reducing
26 hunger). If Engrossed Second Substitute House Bill No. 2769 is not
27 enacted by June 30, 2004, the amount provided in this subsection shall
28 lapse.

29 (9) \$705,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$705,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for the leadership internship
32 program for superintendents, principals, and program administrators.

33 ~~((+9))~~ (10) A maximum of \$250,000 of the general fund--state
34 appropriation for fiscal year 2004 and a maximum of \$250,000 of the
35 general fund--state appropriation for fiscal year 2005 are provided for
36 summer accountability institutes offered by the superintendent of
37 public instruction and the academic achievement and accountability
38 commission. The institutes shall provide school district staff with

1 training in the analysis of student assessment data, information
2 regarding successful district and school teaching models, research on
3 curriculum and instruction, and planning tools for districts to improve
4 instruction in reading, mathematics, language arts, and guidance and
5 counseling. \$35,000 of the fiscal year 2005 appropriation in this
6 subsection is provided solely for summer institutes training related to
7 implementing the civics essential academic learning requirements and
8 the classroom-based civics assessments developed by the superintendent
9 of public instruction.

10 ((+10+)) (11) \$3,713,000 of the general fund--state appropriation
11 for fiscal year 2004 and \$3,713,000 of the general fund--state
12 appropriation for fiscal year 2005 are provided solely for the
13 Washington reading corps subject to the following conditions and
14 limitations:

15 (a) Grants shall be allocated to schools and school districts to
16 implement proven, research-based mentoring and tutoring programs in
17 reading that may include research-based reading skills development
18 software for low-performing students in grades K-6. If the grant is
19 made to a school district, the principals of schools enrolling targeted
20 students shall be consulted concerning design and implementation of the
21 program.

22 (b) The programs may be implemented before, after, or during the
23 regular school day, or on Saturdays, summer, intercessions, or other
24 vacation periods.

25 (c) Two or more schools may combine their Washington reading corps
26 programs.

27 (d) A program is eligible for a grant if it meets the following
28 conditions:

29 (i) The program employs methods of teaching and student learning
30 based on reliable reading/literacy research and effective practices;

31 (ii) The program design is comprehensive and includes instruction,
32 on-going student assessment, professional development,
33 parental/community involvement, and program management aligned with the
34 school's reading curriculum;

35 (iii) It provides quality professional development and training for
36 teachers, staff, and volunteer mentors and tutors;

37 (iv) It has measurable goals for student reading aligned with the
38 essential academic learning requirements;

1 (v) It contains an evaluation component to determine the
2 effectiveness of the program; and

3 (vi) The program may include a software-based solution to increase
4 the student/tutor ratio to a minimum of 5:1. The selected software
5 program shall be scientifically researched-based.

6 (e) Funding priority shall be given to low-performing schools.

7 (f) Beginning and end-of-program testing data shall be available to
8 determine the effectiveness of funded programs and practices. Common
9 evaluative criteria across programs, such as grade-level improvements
10 shall be available for each reading corps program. The superintendent
11 of public instruction shall provide program evaluations to the governor
12 and the appropriate committees of the legislature. Administrative and
13 evaluation costs may be assessed from the annual appropriation for the
14 program.

15 (g) Grants provided under this section may be used by schools and
16 school districts for expenditures from September 2003 through August
17 31, 2005.

18 (~~((11) \$1,564,000))~~ (12) \$1,313,000 of the general fund--state
19 appropriation for fiscal year 2004 and (~~(\$2,497,000))~~ \$2,473,000 of the
20 general fund--state appropriation for fiscal year 2005 are provided
21 solely for salary bonuses for teachers who attain certification by the
22 national board for professional teaching standards, subject to the
23 following conditions and limitations:

24 (a) Teachers who hold a valid certificate from the national board
25 during the 2003-04 or 2004-05 school years shall receive an annual
26 bonus not to exceed \$3,500 in each of these school years in which they
27 hold a national board certificate.

28 (b) The annual bonus shall be paid in a lump sum amount and shall
29 not be included in the definition of "earnable compensation" under RCW
30 41.32.010(10).

31 (~~((12))~~) (13) \$313,000 of the general fund--state appropriation for
32 fiscal year 2004 and \$313,000 of the general fund--state appropriation
33 for fiscal year 2005 are provided solely for a principal support
34 program. The office of the superintendent of public instruction may
35 contract with an independent organization to administer the program.
36 The program shall include: (a) Development of an individualized
37 professional growth plan for a new principal or principal candidate;
38 and (b) participation of a mentor principal who works over a period of

1 between one and three years with the new principal or principal
2 candidate to help him or her build the skills identified as critical to
3 the success of the professional growth plan.

4 ~~((13))~~ (14) \$126,000 of the general fund--state appropriation for
5 fiscal year 2004 and \$126,000 of the general fund--state appropriation
6 for fiscal year 2005 are provided for the development and posting of
7 web- based instructional tools, assessment data, and other information
8 that assists schools and teachers implementing higher academic
9 standards.

10 ~~((14))~~ (15) \$3,046,000 of the general fund--state appropriation
11 for fiscal year 2004 and \$3,046,000 of the general fund--state
12 appropriation for fiscal year 2005 are provided solely to the office of
13 the superintendent of public instruction for focused assistance. The
14 office of the superintendent of public instruction shall conduct
15 educational audits of low-performing schools and enter into performance
16 agreements between school districts and the office to implement the
17 recommendations of the audit and the community. Each educational audit
18 shall include recommendations for best practices and ways to address
19 identified needs and shall be presented to the community in a public
20 meeting to seek input on ways to implement the audit and its
21 recommendations.

22 ~~((15))~~ (16) \$1,764,000 of the general fund--state appropriation
23 for fiscal year 2004 and \$1,764,000 of the general fund--state
24 appropriation for fiscal year 2005 are provided solely for the
25 mathematics helping corps subject to the following conditions and
26 limitations:

27 (a) In order to increase the availability and quality of technical
28 mathematics assistance statewide, the superintendent of public
29 instruction shall employ mathematics school improvement specialists to
30 provide assistance to schools and districts. The specialists shall be
31 hired by and work under the direction of a statewide school improvement
32 coordinator. The mathematics improvement specialists shall not be
33 permanent employees of the superintendent of public instruction.

34 (b) The school improvement specialists shall provide the following:

35 (i) Assistance to schools to disaggregate student performance data
36 and develop improvement plans based on those data;

37 (ii) Consultation with schools and districts concerning their

1 performance on the Washington assessment of student learning and other
2 assessments emphasizing the performance on the mathematics assessments;

3 (iii) Consultation concerning curricula that aligns with the
4 essential academic learning requirements emphasizing the academic
5 learning requirements for mathematics, the Washington assessment of
6 student learning, and meets the needs of diverse learners;

7 (iv) Assistance in the identification and implementation of
8 research-based instructional practices in mathematics;

9 (v) Staff training that emphasizes effective instructional
10 strategies and classroom-based assessment for mathematics;

11 (vi) Assistance in developing and implementing family and community
12 involvement programs emphasizing mathematics; and

13 (vii) Other assistance to schools and school districts intended to
14 improve student mathematics learning.

15 ~~((16) \$87,901,000))~~ (17) \$314,000 of the general fund--state
16 appropriation for fiscal year 2005 is provided solely for the reading
17 initiative and \$515,000 of the general fund--state appropriation for
18 fiscal year 2005 is provided solely for the math initiative. The
19 office of the superintendent of public instruction shall evaluate
20 textbooks and other instructional materials for reading and math to
21 determine the extent to which they are aligned with the state
22 standards. A scorecard of the analysis shall be made available to
23 school districts. The superintendent shall also develop and
24 disseminate information on essential components of comprehensive,
25 school-based reading and math programs and shall work with mentor
26 teachers from around the state to develop guidelines for eligibility,
27 training, and professional development for mentor math teachers.

28 (18) \$125,772,000 of the general fund--federal appropriation is
29 provided for preparing, training, and recruiting high quality teachers
30 and principals under Title II of the no child left behind act.

31 ~~((17) \$25,046,000))~~ (19) \$25,955,000 of the general fund--federal
32 appropriation is provided for the reading first program under Title I
33 of the no child left behind act.

34 **Sec. 513.** 2003 1st sp.s. c 25 s 514 (uncodified) is amended to
35 read as follows:

36 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL**

1 **BILINGUAL PROGRAMS**

2	General Fund--State Appropriation (FY 2004)	((\$49,791,000))
3		<u>\$50,678,000</u>
4	General Fund--State Appropriation (FY 2005)	((\$52,062,000))
5		<u>\$54,050,000</u>
6	General Fund--Federal Appropriation (FY 2005)	((\$46,309,000))
7		<u>\$44,544,000</u>
8	TOTAL APPROPRIATION	((\$148,162,000))
9		<u>\$149,272,000</u>

10 The appropriations in this section are subject to the following
11 conditions and limitations:

12 (1) Each general fund fiscal year appropriation includes such funds
13 as are necessary to complete the school year ending in the fiscal year
14 and for prior fiscal year adjustments.

15 (2) The superintendent shall distribute a maximum of \$725.11 per
16 eligible bilingual student in the 2003-04 school year and ((~~\$725.11~~))
17 \$725.17 in the 2004-05 school year, exclusive of salary and benefit
18 adjustments provided in section 504 of this act.

19 (3) The superintendent may withhold up to \$700,000 in school year
20 2003-04 and up to \$700,000 in school year 2004-05, and adjust the per
21 eligible pupil rates in subsection (2) of this section accordingly, for
22 the central provision of assessments as provided in RCW 28A.180.090 (1)
23 and (2).

24 (4) \$70,000 of the amounts appropriated in this section are
25 provided solely to develop a system for the tracking of current and
26 former transitional bilingual program students.

27 (5) The general fund--federal appropriation in this section is
28 provided for migrant education under Title I Part C and English
29 language acquisition, and language enhancement grants under Title III
30 of the elementary and secondary education act.

31 **Sec. 514.** 2003 1st sp.s. c 25 s 515 (uncodified) is amended to
32 read as follows:

33 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING**
34 **ASSISTANCE PROGRAM**

35	General Fund--State Appropriation (FY 2004)	((\$65,385,000))
36		<u>\$64,366,000</u>
37	General Fund--State Appropriation (FY 2005)	((\$64,051,000))

1		<u>\$62,929,000</u>
2	General Fund--Federal Appropriation	((\$307,178,000))
3		<u>\$301,322,000</u>
4	TOTAL APPROPRIATION	((\$436,614,000))
5		<u>\$428,617,000</u>

6 (1) The general fund--state appropriations in this section are
7 subject to the following conditions and limitations:

8 (a) Each general fund--state fiscal year appropriation includes
9 such funds as are necessary to complete the school year ending in the
10 fiscal year and for prior fiscal year adjustments.

11 (b) Funding for school district learning assistance programs shall
12 be allocated at maximum rates of \$432.15 per funded unit for the 2003-
13 04 school year and ((~~\$433.03~~)) \$432.53 per funded unit for the 2004-05
14 school year exclusive of salary and benefit adjustments provided under
15 section 504 of this act.

16 (c) For purposes of this section, "test results" refers to the
17 district results from the norm-referenced test administered in the
18 specified grade level. The norm-referenced test results used for the
19 third and sixth grade calculations shall be consistent with the third
20 and sixth grade tests required under RCW 28A.230.190 and 28A.230.193.

21 (d) A school district's general fund--state funded units shall be
22 the sum of the following:

23 (i) The district's full-time equivalent enrollment in grades K-6,
24 multiplied by the 5-year average 4th grade lowest quartile test results
25 as adjusted for funding purposes in the school years prior to 1999-
26 2000, multiplied by 0.82. As the 3rd grade test becomes available, it
27 shall be phased into the 5-year average on a 1-year lag;

28 (ii) The district's full-time equivalent enrollment in grades 7-9,
29 multiplied by the 5-year average 8th grade lowest quartile test results
30 as adjusted for funding purposes in the school years prior to 1999-
31 2000, multiplied by 0.82. As the 6th grade test becomes available, it
32 shall be phased into the 5-year average for these grades on a 1-year
33 lag;

34 (iii) The district's full-time equivalent enrollment in grades 10-
35 11 multiplied by the 5-year average 11th grade lowest quartile test
36 results, multiplied by 0.82. As the 9th grade test becomes available,
37 it shall be phased into the 5-year average for these grades on a 1-year
38 lag;

1 (iv) If, in the prior school year, the district's percentage of
2 October headcount enrollment in grades K-12 eligible for free and
3 reduced price lunch exceeded the state average, subtract the state
4 average percentage of students eligible for free and reduced price
5 lunch from the district's percentage and multiply the result by the
6 district's K-12 annual average full-time equivalent enrollment for the
7 current school year multiplied by 22.3 percent; and

8 (v) In addition to amounts allocated under (d) of this subsection,
9 for school districts in which the effective Title I Part A (basic
10 program) increase is insufficient to cover the formula change in the
11 multiplier from .92 to .82, a state allocation shall be provided that,
12 when combined with the effective increase in federal Title I Part A
13 (basic program) funds from the 2001-02 school year, is sufficient to
14 cover this amount. The effective Title I Part A (basic program)
15 increase is the current school year federal Title I Part A (basic
16 program) allocation minus the 2001-02 school year federal Title I Part
17 A (basic program) allocation, after the 2001-02 Title I Part A
18 allocation has been inflated by three percent.

19 (2) The general fund--federal appropriation in this section is
20 provided for Title I Part A allocations of the no child left behind act
21 of 2001.

22 (3) A school district may carry over from one year to the next up
23 to 10 percent of the general fund--state funds allocated under this
24 program; however, carryover funds shall be expended for the learning
25 assistance program.

26 **Sec. 515.** 2003 1st sp.s. c 25 s 516 (uncodified) is amended to
27 read as follows:

28 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR STUDENT ACHIEVEMENT**
29 **PROGRAM**

30	Student Achievement Fund--State	
31	Appropriation (FY 2004)	((\$203,123,000))
32		<u>\$206,825,000</u>
33	Student Achievement Fund--State	
34	Appropriation (FY 2005)	((\$195,080,000))
35		<u>\$195,535,000</u>
36	TOTAL APPROPRIATION	((\$398,203,000))
37		<u>\$402,360,000</u>

1 The appropriations in this section are subject to the following
2 conditions and limitations:

3 (1) Funding for school district student achievement programs shall
4 be allocated at a maximum rate of (~~(\$211.67)~~) \$211.72 per FTE student
5 for the 2003-04 school year and \$254.00 per FTE student for the 2004-
6 05 school year. For the purposes of this section and in accordance
7 with RCW 84.52.068, FTE student refers to the annual average full-time
8 equivalent enrollment of the school district in grades kindergarten
9 through twelve for the prior school year.

10 (2) The appropriation is allocated for the following uses as
11 specified in RCW 28A.505.210:

12 (a) To reduce class size by hiring certificated elementary
13 classroom teachers in grades K-4 and paying nonemployee-related costs
14 associated with those new teachers;

15 (b) To make selected reductions in class size in grades 5-12, such
16 as small high school writing classes;

17 (c) To provide extended learning opportunities to improve student
18 academic achievement in grades K-12, including, but not limited to,
19 extended school year, extended school day, before-and-after-school
20 programs, special tutoring programs, weekend school programs, summer
21 school, and all-day kindergarten;

22 (d) To provide additional professional development for educators
23 including additional paid time for curriculum and lesson redesign and
24 alignment, training to ensure that instruction is aligned with state
25 standards and student needs, reimbursement for higher education costs
26 related to enhancing teaching skills and knowledge, and mentoring
27 programs to match teachers with skilled, master teachers. The funding
28 shall not be used for salary increases or additional compensation for
29 existing teaching duties, but may be used for extended year and
30 extended day teaching contracts;

31 (e) To provide early assistance for children who need
32 prekindergarten support in order to be successful in school; or

33 (f) To provide improvements or additions to school building
34 facilities which are directly related to the class size reductions and
35 extended learning opportunities under (a) through (c) of this
36 subsection (2).

37 (3) For the 2003-04 school year, the office of the superintendent
38 of public instruction shall distribute ten percent of the school year

1 allocation to districts each month for the months of September through
2 June. For the 2004-05 school year, the superintendent of public
3 instruction shall distribute the school year allocation according to
4 the monthly apportionment schedule defined in RCW 28A.510.250.

5 NEW SECTION. **Sec. 516. FOR THE SUPERINTENDENT OF PUBLIC**
6 **INSTRUCTION--FOR TRAFFIC SAFETY EDUCATION PROGRAMS**

7 Public Safety and Education Account--
8 Appropriation (FY 2005) \$831,000

9 The appropriation in this section is subject to the following
10 conditions and limitations: The amount in this section is provided
11 solely to implement Third Substitute House Bill No. 1796 (driver's
12 education funding). If Third Substitute House Bill No. 1796 is not
13 enacted by June 30, 2004, the amount in this section shall lapse.

14 **Sec. 517.** 2003 1st sp.s. c 25 s 517 (uncodified) is amended to
15 read as follows:

16 **K-12 CARRYFORWARD AND PRIOR SCHOOL YEAR ADJUSTMENTS.** State
17 general fund and state student achievement fund appropriations provided
18 to the superintendent of public instruction for state entitlement
19 programs in the public schools in this part V of this act may be
20 expended as needed by the superintendent for adjustments to
21 apportionment for prior fiscal periods. Recoveries of state general
22 fund moneys from school districts and educational service districts for
23 a prior fiscal period shall be made as reductions in apportionment
24 payments for the current fiscal period and shall be shown as prior year
25 adjustments on apportionment reports for the current period. Such
26 recoveries shall not be treated as revenues to the state, but as a
27 reduction in the amount expended against the appropriation for the
28 current fiscal period.

(End of part)

PART VI
HIGHER EDUCATION

Sec. 601. 2003 1st sp.s. c 25 s 602 (uncodified) is amended to read as follows:

(1) The appropriations in sections 603 through 610 of this act provide state general fund support for full-time equivalent student enrollments at each institution of higher education. Listed below are the annual full-time equivalent student enrollments by institutions assumed in this act.

	2003-04		2004-05	
	Annual		Annual	
	Average		Average	
University of Washington				
Main campus	((32,427))	<u>32,458</u>	((32,427))	<u>32,986</u>
Bothell branch	1,235		1,235	
Tacoma branch	((1,484))	<u>1,494</u>	((1,484))	<u>1,494</u>
Washington State University				
Main campus	((17,348))	<u>17,479</u>	((17,364))	<u>17,793</u>
Spokane branch	((593))	<u>616</u>	((593))	<u>616</u>
Tri-Cities branch	((616))	<u>633</u>	((616))	<u>633</u>
Vancouver branch	((1,153))	<u>1,162</u>	((1,153))	<u>1,162</u>
Central Washington University				
Central Washington University	((7,666))	<u>7,809</u>	((7,666))	<u>7,976</u>
Eastern Washington University				
Eastern Washington University	((8,017))	<u>8,150</u>	((8,017))	<u>8,272</u>
The Evergreen State College				
The Evergreen State College	((3,837))	<u>3,871</u>	((3,837))	<u>3,929</u>
Western Washington University				
Western Washington University	((11,126))	<u>11,242</u>	((11,126))	<u>11,411</u>
State Board for Community and Technical Colleges				
State Board for Community and Technical Colleges	((126,070))	<u>127,189</u>	((126,070))	<u>129,097</u>
Higher Education Coordinating Board				
Higher Education Coordinating Board	((246))	<u>0</u>	((500))	<u>860</u>

(2)(a) In addition to the annual full-time equivalent student enrollments enumerated in this section, funding is provided in (i) section 603 of this act for additional community or technical college

1 full-time equivalent student enrollments in high-demand fields of study
2 and (ii) section 722 of this act (special appropriations to the
3 governor) for additional full-time equivalent transfer student
4 enrollments with junior-class standing.

5 (b) For the state universities, the number of full-time equivalent
6 student enrollments enumerated in this section for the branch campuses
7 are the minimum required enrollment levels for those campuses. At the
8 start of an academic year, the governing board of a state university
9 may transfer full-time equivalent student enrollments from the main
10 campus to one or more branch campus. Intent notice shall be provided
11 to the office of financial management and reassignment of funded
12 enrollment is contingent upon satisfying data needs of the forecast
13 division who is responsible to track and monitor state-supported
14 college enrollment.

15 (3) It is the intent of the legislature that baccalaureate higher
16 education institutions manage actual full-time equivalent student
17 enrollments to be within a band of two percent of budgeted enrollments,
18 over a period of three years.

19 **Sec. 602.** 2003 1st sp.s. c 25 s 603 (uncodified) is amended to
20 read as follows:

21 **FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

22	General Fund--State Appropriation (FY 2004)	((\$507,960,000))
23		<u>\$509,268,000</u>
24	General Fund--State Appropriation (FY 2005)	((\$517,854,000))
25		<u>\$533,309,000</u>
26	Administrative Contingency Account--State	
27	Appropriation	((\$3,200,000))
28		<u>\$5,200,000</u>
29	TOTAL APPROPRIATION	((\$1,029,014,000))
30		<u>\$1,047,777,000</u>

31 The appropriations in this section are subject to the following
32 conditions and limitations:

33 (1) The technical colleges may increase tuition and fees in excess
34 of the fiscal growth factor to conform with the percentage increase in
35 community college operating fees.

36 (2) \$1,250,000 of the general fund--state appropriation for fiscal
37 year 2004 and \$1,250,000 of the general fund--state appropriation for

1 fiscal year 2005 are provided solely to increase salaries and related
2 benefits for part-time faculty. The board shall report by January 30,
3 2004, to the office of financial management and legislative fiscal and
4 higher education committees on (a) the distribution of state funds; and
5 (b) wage adjustments for part-time faculty.

6 (3) \$1,250,000 of the general fund--state appropriation for fiscal
7 year 2004 and \$1,250,000 of the general fund--state appropriation for
8 fiscal year 2005 are provided solely for faculty salary increments and
9 associated benefits and may be used in combination with salary and
10 benefit savings from faculty turnover to provide salary increments and
11 associated benefits.

12 (4) \$1,000,000 of the general fund--state appropriation for fiscal
13 year 2004 and \$1,000,000 of the general fund--state appropriation for
14 fiscal year 2005 are provided for a program to fund the start-up of new
15 community and technical college programs in rural counties as defined
16 under RCW 43.160.020(12) and in communities impacted by business
17 closures and job reductions. Successful proposals must respond to
18 local economic development strategies and must include a plan to
19 continue programs developed with this funding.

20 (5) \$675,000 of the general fund--state appropriation for fiscal
21 year 2004 and \$675,000 of the general fund--state appropriation for
22 fiscal year 2005 are provided solely for allocation to Clark Community
23 College and Lower Columbia Community College to prepare a total of 168
24 full-time equivalent students for transfer to the engineering and
25 science institute at the Vancouver branch campus of Washington State
26 University. The appropriations in this section are intended to
27 supplement, not supplant, general enrollment allocations by the board
28 to districts named in this subsection.

29 (6) \$640,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$640,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for allocation to twelve college
32 districts identified in (a) through (l) of this subsection to prepare
33 students for transfer to the state technology institute at the Tacoma
34 branch campus of the University of Washington. The appropriations in
35 this section are intended to supplement, not supplant, general
36 enrollment allocations by the board to the districts under (a) through
37 (l) of this subsection:

38 (a) Bates Technical College;

- 1 (b) Bellevue Community College;
- 2 (c) Centralia Community College;
- 3 (d) Clover Park Community College;
- 4 (e) Grays Harbor Community College;
- 5 (f) Green River Community College;
- 6 (g) Highline Community College;
- 7 (h) Tacoma Community College;
- 8 (i) Olympic Community College;
- 9 (j) Pierce District;
- 10 (k) Seattle District; and
- 11 (l) South Puget Sound Community College.

12 (7) \$28,761,000 of the general fund--state appropriation for fiscal
13 year 2004 (~~and \$28,761,000~~), \$26,761,000 of the general fund--state
14 appropriation for fiscal year 2005, and \$2,000,000 of the
15 administrative contingency account--state appropriation are provided
16 solely as special funds for training and related support services,
17 including financial aid, as specified in chapter 226, Laws of 1993
18 (employment and training for unemployed workers). Funding is provided
19 to support up to (~~6,200~~) 7,219 full-time equivalent students in each
20 fiscal year.

21 (8) \$1,000,000 of the general fund--state appropriation for fiscal
22 year 2004 and \$1,000,000 of the general fund--state appropriation for
23 fiscal year 2005 are provided solely for tuition support for students
24 enrolled in work-based learning programs.

25 (9) \$2,950,000 of the administrative contingency account--state
26 appropriation is provided solely for administration and customized
27 training contracts through the job skills program, which shall be made
28 available broadly and not to the exclusion of private nonprofit
29 baccalaureate degree granting institutions or vocational arts career
30 schools operating in Washington state who partner with a firm,
31 hospital, group, or industry association concerned with commerce,
32 trade, manufacturing, or the provision of services to train current or
33 prospective employees. The state board shall make an annual report by
34 January 1 of each fiscal year to the governor and appropriate policy
35 and fiscal committees of the legislature regarding the implementation
36 of this section listing the scope of grant awards, the distribution of
37 funds by educational sector and region of the state, as well as
38 successful partnerships being supported by these state funds.

1 (10) \$250,000 of the administrative contingency account--state
2 appropriation is provided solely and on a one-time basis to start up a
3 college district consortium organized under the name "alliance for
4 corporate education." Financial operations shall be self-sustaining by
5 no later than June 30, 2005, after which time any amount remaining
6 unexpended from this amount shall lapse.

7 (11) \$50,000 of the general fund--state appropriation for fiscal
8 year 2004 and \$50,000 of the general fund--state appropriation for
9 fiscal year 2005 are solely for higher education student child care
10 matching grants under chapter 28B.135 RCW.

11 (12) \$212,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$212,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided for allocation to Olympic college. The
14 college shall contract with accredited baccalaureate institution(s) to
15 bring a program of upper-division courses to Bremerton. The state
16 board for community and technical colleges shall report to the office
17 of financial management and the fiscal and higher education committees
18 of the legislature on the implementation of this subsection by December
19 1st of each fiscal year.

20 (13) \$6,304,000 of the general fund--state appropriation for fiscal
21 year 2004 and (~~(\$6,305,000)~~) \$12,704,000 of the general fund--state
22 appropriation for fiscal year 2005 are provided solely to expand
23 enrollment in high-demand fields.

24 (a) High-demand fields means (i) health services, (ii) applied
25 science and engineering, (iii) viticulture and enology, (~~and~~) (iv)
26 expansion of worker retraining programs, (v) information technology,
27 (vi) manufacturing, and (vii) energy technology. The state board
28 shall allocate resources among the (~~four~~) seven areas specified in
29 this subsection and shall manage a competitive process for awarding
30 resources for health services, viticulture, enology, (~~and~~) applied
31 science and engineering, information technology, manufacturing, and
32 energy technology programs.

33 (b) The state board shall provide information on the number of
34 additional headcount and full-time equivalent students enrolled in
35 high-demand fields (~~by November 1 of each fiscal year~~) at the
36 conclusion of each academic year, as soon as final enrollment data
37 becomes available, to the office of financial management and the fiscal
38 and higher education committees of the legislature.

1 (14) \$111,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$86,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely to support the development of a
4 comprehensive viticulture (grape growing) and enology (wine making)
5 higher education program in Washington state. From these sums, the
6 state board shall allocate:

7 (a) \$75,000 a year to Walla Walla community college for its
8 associate science and associate arts degree programs for the purpose of
9 vineyard and wine-making equipment purchases, student labor,
10 instructional supplies, field work, and travel expenses;

11 (b) \$25,000 on a one-time basis to Wenatchee community college for
12 the purpose of adapting its orchard employee educational program; and

13 (c) \$22,000 on a one-time basis to Yakima Valley community college
14 for the purpose of vineyard and wine-making equipment and supply
15 purchases.

16 The college districts named in this subsection are encouraged to
17 seek a portion of the high-demand student enrollment funding made
18 available on a competitive basis through the state board to address
19 their respective need for additional instructors and professional
20 staff.

21 (15) \$300,000 of the general fund--state appropriation for fiscal
22 year 2005 is provided solely for the transition math project to address
23 the need to reduce remedial math courses taken at institutions of
24 higher education.

25 (a) The project will bring together representatives from the K-12
26 system, the two-year college system, and the public four-year
27 institutions of higher education to: (i) Align standards and
28 expectations for mathematics so that high school graduates will be well
29 prepared to enter college-level math courses; (ii) increase student
30 success in completing math requirements in high school and college
31 through careful attention to improved instruction and assessment; and
32 (iii) communicate math expectations to students through clear and
33 consistent messages and focused educational advising. The state board
34 for community and technical colleges will serve as fiscal agent for the
35 project.

36 (b) By December 1, 2004, the state board, in coordination with the
37 K-12 system and the public four-year institutions of higher education,
38 shall provide a progress report on the transition math project to the

1 office of financial management and the fiscal and higher education
2 committees of the legislature. A final report will be submitted by
3 December 1, 2005 and shall identify specific strategies implemented to
4 reduce remedial math courses taken at higher education institutions, as
5 well as a long-term plan to achieve measurable and specific
6 improvements each academic year for substantial progress towards the
7 achievement of this goal.

8 **Sec. 603.** 2003 1st sp.s. c 25 s 604 (uncodified) is amended to
9 read as follows:

10 **FOR THE UNIVERSITY OF WASHINGTON**

11	General Fund--State Appropriation (FY 2004)	((\$311,628,000))
12		<u>\$310,866,000</u>
13	General Fund--State Appropriation (FY 2005)	((\$319,584,000))
14		<u>\$326,630,000</u>
15	General Fund--Private/Local Appropriation	\$300,000
16	Death Investigations Account--State	
17	Appropriation	\$261,000
18	Accident Account--State Appropriation	\$5,937,000
19	Medical Aid Account--State Appropriation	\$5,960,000
20	TOTAL APPROPRIATION	((\$643,670,000))
21		<u>\$649,954,000</u>

22 The appropriations in this section are subject to the following
23 conditions and limitations:

24 (1) \$1,875,000 of the general fund--state appropriation for fiscal
25 year 2004 and \$1,875,000 of the general fund--state appropriation for
26 fiscal year 2005 are provided solely to create a state resource for
27 technology education in the form of an institute located at the
28 University of Washington, Tacoma. The university will continue to
29 provide undergraduate and graduate degree programs meeting regional
30 technology needs including, but not limited to, computing and software
31 systems. As a condition of these appropriations:

32 (a) The university will work with the state board for community and
33 technical colleges, or individual colleges where necessary, to
34 establish articulation agreements in addition to the existing associate
35 of arts and associate of science transfer degrees. Such agreements
36 shall improve the transferability of students and in particular,
37 students with substantial applied information technology credits.

1 (b) The university will establish performance measures for
2 recruiting, retaining and graduating students, including nontraditional
3 students, and report back to the governor and legislature by September
4 2004 as to its progress and future steps.

5 (2) \$150,000 of the general fund--state appropriation for fiscal
6 year 2004 and \$150,000 of the general fund--state appropriation for
7 fiscal year 2005 are provided solely for research faculty clusters in
8 the advanced technology initiative program.

9 (3) The entire death investigations account appropriation is
10 provided for the forensic pathologist fellowship program.

11 (4) \$150,000 of the general fund--state appropriation for fiscal
12 year 2004 and \$150,000 of the general fund--state appropriation for
13 fiscal year 2005 are provided solely for the implementation of the
14 Puget Sound work plan and agency action item UW-01.

15 (5) \$75,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$75,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for the Olympic natural resources
18 center.

19 (6) \$1,526,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$3,096,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for competitively offered
22 recruitment and retention salary adjustments for instructional and
23 research faculty, exempt professional staff, academic administrators,
24 academic librarians, counselors, teaching and research assistants, as
25 classified by the office of financial management, and all other
26 nonclassified staff, but not including employees under RCW 28B.16.015.
27 Tuition revenues may be expended in addition to those required by this
28 section to further provide recruitment and retention salary
29 adjustments.

30 (7) \$1,250,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$1,250,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for state match to attract or
33 retain federal research grants in high demand and technologically
34 advanced fields.

35 (8) \$300,000 of the general fund--private/local appropriation is
36 provided solely for shellfish biotoxin monitoring as specified in
37 Chapter 263, Laws of 2003 (SSB 6073, shellfish license fee).

1 (9) \$2,900,000 of the general fund--state appropriation in fiscal
2 year 2005 is provided solely for the University of Washington's school
3 of medicine for the recruitment of biosciences research faculty to
4 establish a proteomics center.

5 (10) \$1,897,000 of the general fund--state appropriation for fiscal
6 year 2005 is provided solely for the training and support of primary
7 care physicians and primary care providers through the network of
8 family practice residency programs. All of the funding provided in
9 this section shall be distributed directly to the family practice
10 residency programs to assist with cost increases experienced by the
11 programs, including the cost of medical malpractice premiums.

12 (11) \$30,000 of the general fund--state appropriation for fiscal
13 year 2005 is provided solely for research on labor and economic issues
14 in Washington. All of the funding provided in this subsection shall be
15 allocated to the Harry Bridges Center to support research and shall not
16 be used for overhead expenses.

17 (12) The University of Washington shall present a preliminary
18 report to the fiscal committees of the legislature detailing the use of
19 state research funds by November 1, 2004, and shall present a final
20 report by November 1, 2005. For each research project supported by the
21 state general fund in the 2003-05 biennium, including projects funded
22 in the university's base budget, the report shall include: (a) A brief
23 description of the research project; (b) the amount of state and
24 institutional funds contributed to the project; (c) the level of
25 federal or other sources of match received for the state's investment;
26 and (d) any other information deemed pertinent by the institution.

27 (13) By December 15, 2004, the University of Washington Bothell
28 shall submit to the higher education and fiscal committees of the
29 legislature a plan to phase in lower-division courses at the campus.
30 At a minimum, the following issues should be addressed in the plan:

31 (a) An enrollment plan that provides adequate capacity for
32 community college transfer students;

33 (b) Appropriate levels of state general fund support and tuition
34 and fees for the campus, commensurate with a role and mission similar
35 to a comprehensive university;

36 (c) Identification of any start-up costs to implement the phase-in
37 of lower division courses; and

38 (d) Other issues deemed pertinent by the institution.

1 fiscal year 2005 are provided solely for allocation in full to the
2 branch campus in Vancouver to create and operate a state institute for
3 engineering and science in partnership with Clark and Lower Columbia
4 community colleges and regional industry leaders in southwest
5 Washington. As a condition of this appropriation, the university shall
6 develop and provide to the satisfaction of the office of financial
7 management a business plan for the new institute. The university,
8 together with its two-year college and industry partners, shall provide
9 the governor, legislature, and state higher education coordinating
10 board with an annual summary of its progress to produce more graduates
11 trained in applied science technologies and engineering. Annual
12 reports to inform and advise policymakers of the partners' success,
13 emerging issues, and resource needs if any shall occur by no later than
14 November 15 during the 2003-05 biennium.

15 (4) \$150,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$150,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely for research faculty clusters in
18 the advanced technology initiative program.

19 (5) \$165,000 of the general fund--state appropriation for fiscal
20 year 2004 and \$166,000 of the general fund--state appropriation for
21 fiscal year 2005 are provided solely for the implementation of the
22 Puget Sound work plan and agency action item WSU-01.

23 (6) \$949,000 of the general fund--state appropriation for fiscal
24 year 2004 and \$1,927,000 of general fund--state appropriation for
25 fiscal year 2005 are provided solely for competitively offered
26 recruitment and retention salary adjustments for instructional and
27 research faculty, exempt professional staff, academic administrators,
28 academic librarians, counselors, teaching and research assistants, as
29 classified by the office of financial management, and all other
30 nonclassified staff, but not including employees under RCW 28B.16.015.
31 Tuition revenues may be expended in addition to those required by this
32 section to further provide recruitment and retention salary
33 adjustments.

34 (7) \$850,000 of the general fund--state appropriation for fiscal
35 year 2005 is provided solely for state match to attract or retain
36 federal research grants in high demand and technologically advanced
37 fields.

1 (8) \$50,000 of the general fund--state appropriation for fiscal
2 year 2005 is provided solely for research to develop alternative
3 control mechanisms for burrowing shrimp.

4 (9) \$270,000 of the general fund--state appropriation for fiscal
5 year 2005 is provided solely to the college of veterinary medicine to
6 support the development of a live animal test for bovine spongiform
7 encephalopathy.

8 (10) Washington State University shall present a preliminary report
9 to the fiscal committees of the legislature detailing the use of state
10 research funds by November 1, 2004, and shall present a final report by
11 November 1, 2005. For each research project supported by the state
12 general fund in the 2003-05 biennium, including projects funded in the
13 university's base budget, the report shall include: (a) A brief
14 description of the research project; (b) the amount of state and
15 institutional funds contributed to the project; (c) the level of
16 federal or other sources of match received for the state's investment;
17 and (d) any other information deemed pertinent by the institution.

18 **Sec. 605.** 2003 1st sp.s. c 25 s 606 (uncodified) is amended to
19 read as follows:

20 **FOR EASTERN WASHINGTON UNIVERSITY**

21	General Fund--State Appropriation (FY 2004)	((\$40,861,000))
22		<u>\$40,796,000</u>
23	General Fund--State Appropriation (FY 2005)	((\$42,183,000))
24		<u>\$42,798,000</u>
25	TOTAL APPROPRIATION	((\$83,044,000))
26		<u>\$83,594,000</u>

27 The appropriations in this section are subject to the following
28 conditions and limitations: \$248,000 of the general fund--state
29 appropriation for fiscal year 2004 and \$503,000 of general fund--state
30 appropriation for fiscal year 2005 are provided solely for
31 competitively offered recruitment and retention salary adjustments for
32 instructional and research faculty, exempt professional staff, academic
33 administrators, academic librarians, counselors, teaching and research
34 assistants, as classified by the office of financial management, and
35 all other nonclassified staff, but not including employees under RCW
36 28B.16.015. Tuition revenues may be expended in addition to those

1 required by this section to further provide recruitment and retention
2 salary adjustments.

3 **Sec. 606.** 2003 1st sp.s. c 25 s 607 (uncodified) is amended to
4 read as follows:

5 **FOR CENTRAL WASHINGTON UNIVERSITY**

6	General Fund--State Appropriation (FY 2004)	((\$39,765,000))
7		<u>\$39,694,000</u>
8	General Fund--State Appropriation (FY 2005)	((\$41,391,000))
9		<u>\$42,449,000</u>
10	TOTAL APPROPRIATION	((\$81,156,000))
11		<u>\$82,143,000</u>

12 The appropriations in this section are subject to the following
13 conditions and limitations:

14 (1) \$1,050,000 of the general fund--state appropriation for fiscal
15 year 2004 and \$1,050,000 of the general fund--state appropriation for
16 fiscal year 2005 are provided to expand university enrollment by 196
17 full-time equivalent students.

18 (2) \$206,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$418,000 of general fund--state appropriation for fiscal
20 year 2005 are provided solely for competitively offered recruitment and
21 retention salary adjustments for instructional and research faculty,
22 exempt professional staff, academic administrators, academic
23 librarians, counselors, teaching and research assistants, as classified
24 by the office of financial management, and all other nonclassified
25 staff, but not including employees under RCW 28B.16.015. Tuition
26 revenues may be expended in addition to those required by this section
27 to further provide recruitment and retention salary adjustments.

28 **Sec. 607.** 2003 1st sp.s. c 25 s 608 (uncodified) is amended to
29 read as follows:

30 **FOR THE EVERGREEN STATE COLLEGE**

31	General Fund--State Appropriation (FY 2004)	((\$22,881,000))
32		<u>\$22,834,000</u>
33	General Fund--State Appropriation (FY 2005)	((\$23,618,000))
34		<u>\$23,886,000</u>
35	TOTAL APPROPRIATION	((\$46,499,000))
36		<u>\$46,720,000</u>

1 The appropriations in this section are subject to the following
2 conditions and limitations:

3 (1) \$124,000 of the general fund--state appropriation for fiscal
4 year 2004 and \$252,000 of general fund--state appropriation for fiscal
5 year 2005 are provided solely for competitively offered recruitment and
6 retention salary adjustments for instructional and research faculty,
7 exempt professional staff, academic administrators, academic
8 librarians, counselors, teaching and research assistants, as classified
9 by the office of financial management, and all other nonclassified
10 staff, but not including employees under RCW 28B.16.015. Tuition
11 revenues may be expended in addition to those required by this section
12 to further provide recruitment and retention salary adjustments.

13 (2) The Washington state institute for public policy shall research
14 the following issues and provide reports to the legislature as
15 directed. The institute board shall prioritize and schedule all
16 studies based on staff capacity.

17 (a) \$110,000 of the general fund--state appropriation for fiscal
18 year 2004 is provided solely for the Washington state institute for
19 public policy to review research assessing the effectiveness of
20 prevention and early intervention programs concerning children and
21 youth, including but not limited to, programs designed to reduce the
22 at-risk behaviors for children and youth identified in RCW
23 70.190.010(4).

24 Using this research, the institute shall identify specific
25 research-proven programs that produce a positive return on the dollar
26 compared to the costs of the program. The institute shall also develop
27 criteria designed to ensure quality implementation and program fidelity
28 of research-proven programs in the state. The criteria shall include
29 measures for ongoing monitoring and continual improvement of treatment
30 delivery, and shall be feasible for inclusion in a contract for
31 services. The institute shall develop recommendations for potential
32 state legislation that encourages local government investment in
33 research-proven prevention and early intervention programs by
34 reimbursing local governments for a portion of the savings that accrue
35 to the state as the result of local investments in such programs. The
36 institute shall present a preliminary report of its findings to the
37 appropriate committees of the legislature by December 1, 2003, and
38 shall present a final report by (~~March~~) July 1, 2004.

1 (b) \$26,000 of the general fund--state appropriation for fiscal
2 year 2004 is provided solely for the Washington state institute for
3 public policy to develop adherence and outcome standards for measuring
4 the effectiveness of treatment programs referred to in Chapter 378,
5 Laws of 2003 (ESSB 5903). The standards shall be developed and
6 presented to the governor and legislature by no later than January 1,
7 2004.

8 (c) \$100,000 of the general fund--state appropriation for fiscal
9 year 2004 is provided solely for the Washington state institute for
10 public policy to study the relationship between prison overcrowding and
11 construction, and the current state criminal sentencing structure.

12 (i) The institute shall determine whether any changes could be made
13 to the current state sentencing structure to address prison
14 overcrowding and the need for new prison construction, giving great
15 weight to the primary purposes of the criminal justice system. These
16 purposes include: Protecting community safety; making frugal use of
17 state and local government resources by concentrating resources on
18 violent offenders and sex offenders who pose the greatest risk to our
19 communities; achieving proportionality in sentencing; and reducing the
20 risk of reoffending by offenders in the community.

21 (ii) In developing its research plan, the institute may consult
22 with the sentencing guidelines commission, the caseload forecast
23 council, and interested stakeholders.

24 (iii) The institute for public policy shall present a preliminary
25 report of its findings to the governor and to the appropriate standing
26 committees of the legislature by December 15, 2003, and shall present
27 a final report regarding its findings and recommendations by March 15,
28 2004.

29 (d) \$12,000 of the general fund--state appropriation for fiscal
30 year 2004 and \$12,000 of the general fund--state appropriation for
31 fiscal year 2005 are provided solely for the Washington state institute
32 for public policy to examine the results of the changes in earned
33 release under Chapter 379, Laws of 2003 (ESSB 5990). The study shall
34 determine whether the changes in earned release affect the rate of
35 recidivism or the type of offenses committed by persons whose release
36 dates were affected by the changes under the bill. The institute shall
37 report its findings to the governor and appropriate committees of the
38 legislature by no later than December 1, 2008.

1 (~~(e) \$25,000 of the general fund state appropriation for fiscal~~
2 ~~year 2004 and \$25,000 of the general fund state appropriation for~~
3 ~~fiscal year 2005 are provided solely for the institute for public~~
4 ~~policy to conduct the evaluation outlined in Substitute Senate Bill No.~~
5 ~~5012 (charter schools). If the bill is not enacted by June 30, 2003,~~
6 ~~the amounts provided in this subsection shall lapse.))~~

7 **Sec. 608.** 2003 1st sp.s. c 25 s 609 (uncodified) is amended to
8 read as follows:

9 **FOR WESTERN WASHINGTON UNIVERSITY**

10	General Fund--State Appropriation (FY 2004)	((\$53,645,000))
11		<u>\$53,539,000</u>
12	General Fund--State Appropriation (FY 2005)	((\$55,537,000))
13		<u>\$56,353,000</u>
14	TOTAL APPROPRIATION	((\$109,182,000))
15		<u>\$109,892,000</u>

16 The appropriations in this section are subject to the following
17 conditions and limitations:

18 (1) \$980,400 of the general fund--state appropriation for fiscal
19 year 2004 and \$980,400 of the general fund--state appropriation for
20 fiscal year 2005 are provided solely for the operations of the North
21 Snohomish, Island, Skagit (NSIS) higher education consortium.

22 (2) \$248,000 of the general fund--state appropriation for fiscal
23 year 2004 and \$503,000 of general fund--state appropriation for fiscal
24 year 2005 are provided solely for competitively offered recruitment and
25 retention salary adjustments for instructional and research faculty,
26 exempt professional staff, academic administrators, academic
27 librarians, counselors, teaching and research assistants, as classified
28 by the office of financial management, and all other nonclassified
29 staff, but not including employees under RCW 28B.16.015. Tuition
30 revenues may be expended in addition to those required by this section
31 to further provide recruitment and retention salary adjustments.

32 **Sec. 609.** 2003 1st sp.s. c 25 s 610 (uncodified) is amended to
33 read as follows:

34 **FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND**
35 **ADMINISTRATION**

36	General Fund--State Appropriation (FY 2004)	((\$4,952,000))
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1		<u>\$4,943,000</u>
2	General Fund--State Appropriation (FY 2005)	((\$7,716,000))
3		<u>\$14,365,000</u>
4	General Fund--Federal Appropriation	((\$642,000))
5		<u>\$649,000</u>
6	TOTAL APPROPRIATION	((\$13,310,000))
7		<u>\$19,957,000</u>

8 The appropriations in this section are provided to carry out the
9 policy coordination, planning, studies and administrative functions of
10 the board and are subject to the following conditions and limitations:

11 (1) Within the appropriations provided in this section, funds are
12 provided to continue the teacher training pilot program pursuant to
13 chapter 28B.80 RCW until standing authority for this program expires as
14 scheduled on January 1, 2005.

15 (2) \$175,000 of the general fund--state appropriation for fiscal
16 year 2004 and \$175,000 of the general fund--state appropriation for
17 fiscal year 2005 are provided solely to continue a demonstration
18 project to improve rural access to post-secondary education by bringing
19 distance learning technologies into Jefferson county.

20 (3) ((~~\$2,755,000~~)) \$2,740,000 of the general fund--state
21 appropriation for fiscal year 2004 and ((~~\$5,520,000~~)) \$11,934,000 of
22 the general fund--state appropriation for fiscal year 2005 are provided
23 solely to contract for ((~~246~~)) 247 full-time equivalent students in
24 high demand fields in fiscal year 2004 and an additional ((~~254~~)) 860
25 full-time equivalent students in high demand fields in fiscal year
26 2005. High-demand fields are programs where enrollment access is
27 limited and employers are experiencing difficulty finding qualified
28 graduates to fill job openings. Of the amounts provided, up to \$70,000
29 may be used for management of the competitive process for awarding
30 high-demand student FTEs during the 2003-05 biennium.

31 (a) The board will manage a competitive process for awarding high-
32 demand student FTEs. Public baccalaureate institutions are eligible to
33 apply for funding and may submit proposals that include cooperative
34 partnerships with private independent institutions.

35 (b) Among coequals, the board shall make it a priority to fund
36 proposals that prepare students for careers in (i) nursing and other
37 health services; (ii) applied science and engineering; (iii) teaching
38 and speech pathology; (iv) computing and information technology; and

1 (v) viticulture and enology, but not to the exclusion of compelling
2 proposals that document specific regional student and employer demand
3 in fields not listed in this subsection. Proposals and grant awards
4 will separately identify one-time, nonrecurring costs and ongoing
5 costs.

6 (c) The board will establish a proposal review committee that will
7 include, but not be limited to, representatives from the board, the
8 office of financial management, and economic development and labor
9 market analysts. The board will develop the request for proposals,
10 including the criteria for awarding grants, in consultation with the
11 proposal review committee.

12 (d) Baccalaureate institutions that receive grants shall provide
13 the board and the forecast division of the office of financial
14 management with data specified by the board or the office of financial
15 management that shows the impact of this subsection, particularly the
16 degree of improved access to high-demand programs for students and
17 successful job placements for graduates. The board will report on the
18 implementation of this subsection by November 1 of each fiscal year to
19 the office of financial management and the fiscal and higher education
20 committees of the legislature.

21 (4) \$205,000 of the general fund--state appropriation in fiscal
22 year 2005 is provided solely for a comprehensive and ongoing assessment
23 system as outlined in Substitute House Bill No. 3103 (higher
24 education). If the bill is not enacted by June 30, 2004, the amount
25 provided in this subsection shall lapse.

26 **Sec. 610.** 2003 1st sp.s. c 25 s 611 (uncodified) is amended to
27 read as follows:

28 **FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT**
29 **PROGRAMS**

30	General Fund--State Appropriation (FY 2004)	((\$145,217,000))
31		<u>\$145,228,000</u>
32	General Fund--State Appropriation (FY 2005)	((\$154,412,000))
33		<u>\$161,774,000</u>
34	General Fund--Federal Appropriation	((\$7,530,000))
35		<u>\$7,537,000</u>
36	<u>Health Services Account--State Appropriation</u>	<u>\$2,000,000</u>
37	TOTAL APPROPRIATION	((\$307,159,000))

The appropriations in this section are subject to the following conditions and limitations:

(1) \$259,000 of the general fund--state appropriation for fiscal year 2004 and \$273,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the western interstate commission for higher education.

(2) \$1,100,000 of the general fund--state appropriation for fiscal year 2004 (~~and~~), \$1,100,000 of the general fund--state appropriation for fiscal year 2005, and \$2,000,000 of the health services account--state appropriation are provided solely for the health professional conditional scholarship and loan program under chapter 28B.115 RCW. This amount shall be deposited to the health professional loan repayment and scholarship trust fund to carry out the purposes of the program.

(3) \$75,000 of the general fund--state appropriation for fiscal year 2004 and \$75,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for higher education student child care matching grants under chapter 28B.135 RCW.

(4) \$25,000 of the general fund--state appropriation for fiscal year 2004 and \$25,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the benefit of students who participate in college assistance migrant programs (CAMP) operating in Washington state. To ensure timely state aid, the board may establish a date after which no additional grants would be available for the 2003-04 and 2004-05 academic years. The board shall disperse grants in equal amounts to eligible post-secondary institutions so that state money in all cases supplements federal CAMP awards.

(5) \$111,628,000 of the general fund--state appropriation for fiscal year 2004 and (~~(\$120,420,000))~~ \$123,387,000 of the general fund--state appropriation for fiscal year 2005 are provided solely for the state need grant program. It is the intent of the legislature to serve all state need grant eligible students in the 2004-05 academic year. The higher education coordinating board shall maintain the maximum state need grant award amounts for the 2004-05 academic year at 2003-04 levels. After April 1 of each fiscal year, up to one percent of the annual appropriation for the state need grant program may be transferred to the state work study program.

1 (6) \$17,048,000 of the general fund--state appropriation for fiscal
2 year 2004 and \$17,048,000 of the general fund--state appropriation for
3 fiscal year 2005 are provided solely for the state work study program.
4 After April 1 of each fiscal year, up to one percent of the annual
5 appropriation for the state work study program may be transferred to
6 the state need grant program. In addition to the administrative
7 allowance in subsection (12) of this section, four percent of the
8 general fund--state amount in this subsection may be expended for state
9 work study program administration.

10 (7) \$2,867,000 of the general fund--state appropriation for fiscal
11 year 2004 and \$2,867,000 of the general fund--state appropriation for
12 fiscal year 2005 are provided solely for educational opportunity grants
13 pursuant to Chapter 233, Laws of 2003 (ESB 5676). The board may
14 deposit sufficient funds from its appropriation into the state
15 education trust fund as established in RCW 28B.10.821 to provide a one-
16 year renewal of the grant for each new recipient of the educational
17 opportunity grant award.

18 (8) \$1,919,000 of the general fund--state appropriation for fiscal
19 year 2004 and \$2,155,000 of the general fund--state appropriation for
20 fiscal year 2005 are provided solely to implement the Washington
21 scholars program. Any Washington scholars program moneys not awarded
22 by April 1st of each year may be transferred by the board to the
23 Washington award for vocational excellence.

24 (9) \$794,000 of the general fund--state appropriation for fiscal
25 year 2004 and \$845,000 of the general fund--state appropriation for
26 fiscal year 2005 are provided solely to implement Washington award for
27 vocational excellence program. Any Washington award for vocational
28 program moneys not awarded by April 1st of each year may be transferred
29 by the board to the Washington scholars program.

30 (10) \$246,000 of the general fund--state appropriation for fiscal
31 year 2004 and \$246,000 of the general fund--state appropriation for
32 fiscal year 2005 are provided solely for community scholarship matching
33 grants of \$2,000 each. To be eligible for the matching grant, a
34 nonprofit community organization organized under section 501(c)(3) of
35 the internal revenue code must demonstrate that it has raised \$2,000 in
36 new moneys for college scholarships after the effective date of this
37 act. An organization may receive more than one \$2,000 matching grant

1 and preference shall be given to organizations affiliated with the
2 citizens' scholarship foundation.

3 (11) Subject to state need grant service requirements pursuant to
4 chapter 28B.119 RCW, \$6,050,000 of the general fund--state
5 appropriation for fiscal year 2004 and (~~(\$6,050,000)~~) \$10,393,000 of
6 the general fund--state appropriation for fiscal year 2005 are provided
7 solely for the Washington promise scholarship program. For fiscal year
8 2005, the income eligibility for the graduating high school class of
9 2004 shall not exceed one hundred twenty percent of the state median
10 family income adjusted for family size. The income eligibility for the
11 graduating high school class of 2003 shall be retained at one hundred
12 thirty-five percent of the state median family income adjusted for
13 family size.

14 (12) (~~(\$2,667,000)~~) \$2,678,000 of the general fund--state
15 appropriation for fiscal year 2004 and (~~(\$2,768,000)~~) \$2,820,000 of the
16 general fund--state appropriation for fiscal year 2005 are provided
17 solely for financial aid administration, in addition to the four
18 percent cost allowance provision for state work study under subsection
19 (6) of this section. These funds are provided to administer all the
20 financial aid and grant programs assigned to the board by the
21 legislature and administered by the agency. To the extent the
22 executive director finds the agency will not require the full sum
23 provided in this subsection, a portion may be transferred to supplement
24 financial grants-in-aid to eligible clients after notifying the board
25 and the office of financial management of the intended transfer.

26 (13) \$539,000 of the general fund--state appropriation for fiscal
27 year 2004 and \$540,000 of the general fund--state appropriation for
28 fiscal year 2005 are provided solely for the displaced homemakers
29 program.

(End of part)

PART VII
SPECIAL APPROPRIATIONS

Sec. 701. 2003 1st sp.s. c 25 s 701 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT SUBJECT TO THE DEBT LIMIT

General Fund--State Appropriation (FY 2004) (~~(\$570,186,000)~~)
\$655,886,000

General Fund--State Appropriation (FY 2005) (~~(\$626,814,000)~~)
\$528,766,000

Debt-Limit General Fund Bond Retirement Account--
State Appropriation (~~(\$10,000,000)~~)
\$17,300,000

State Building Construction Account--State
Appropriation (~~(\$7,014,000)~~)
\$8,922,000

Debt-Limit Reimbursable Bond Retirement Account--
State Appropriation \$2,587,000

State Taxable Building Construction Account--
State Appropriation (~~(\$322,000)~~)
\$465,000

Gardner-Evans Higher Education Construction Account--
State Appropriation \$2,087,000

TOTAL APPROPRIATION (~~(\$1,216,923,000)~~)
\$1,216,013,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for deposit into the debt-limit general fund bond retirement account. The appropriation for fiscal year 2004 shall be deposited in the debt-limit general fund bond retirement account by June 30, 2004.

Sec. 702. 2003 1st sp.s. c 25 s 703 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE

1	REIMBURSED AS PRESCRIBED BY STATUTE	
2	General Fund--State Appropriation (FY 2004)	\$26,394,000
3	General Fund--State Appropriation (FY 2005)	\$24,805,000
4	Capitol Historic District Construction	
5	Account--State Appropriation	(\$299,000)
6		<u>\$323,000</u>
7	Higher Education Construction Account--State	
8	Appropriation	\$238,000
9	State Vehicle Parking Account--State	
10	Appropriation	\$102,000
11	Nondebt-Limit Reimbursable Bond Retirement Account--	
12	State Appropriation	\$128,375,000
13	TOTAL APPROPRIATION	(\$180,213,000)
14		<u>\$180,237,000</u>

15 The appropriations in this section are subject to the following
16 conditions and limitations: The general fund appropriation is for
17 deposit into the nondebt-limit general fund bond retirement account.

18 **Sec. 703.** 2003 1st sp.s. c 25 s 704 (uncodified) is amended to
19 read as follows:

20 **FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND**
21 **REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES**

22	General Fund--State Appropriation (FY 2004)	\$526,000
23	General Fund--State Appropriation (FY 2005)	\$526,000
24	Higher Education Construction Account--State	
25	Appropriation	\$35,000
26	State Building Construction Account--State	
27	Appropriation	(\$2,032,000)
28		<u>\$2,083,000</u>
29	State Vehicle Parking Account--State	
30	Appropriation	\$17,000
31	Capitol Historic District Construction	
32	Account--State Appropriation	\$45,000
33	State Taxable Building Construction Account--	
34	State Appropriation	(\$50,000)
35		<u>\$60,000</u>
36	<u>Gardner-Evans Higher Education Construction Account--</u>	
37	<u>State Appropriation</u>	<u>\$180,000</u>

1	TOTAL APPROPRIATION	((\$3,231,000))
2		<u>\$3,472,000</u>
3	Sec. 704. 2003 1st sp.s. c 25 s 709 (uncodified) is amended to	
4	read as follows:	
5	FOR THE GOVERNOR--COMPENSATION--INSURANCE BENEFITS	
6	General Fund--State Appropriation (FY 2004)	((\$8,243,000))
7		<u>\$8,821,000</u>
8	General Fund--State Appropriation (FY 2005)	((\$38,879,000))
9		<u>\$44,968,000</u>
10	Dedicated Funds and Accounts Appropriation	((\$41,232,000))
11		<u>\$44,119,000</u>
12	TOTAL APPROPRIATION	((\$88,354,000))
13		<u>\$97,908,000</u>

14 The appropriations in this section are subject to the following
15 conditions and limitations:

16 ~~(1) ((The appropriation from dedicated funds and accounts shall be
17 made in the amounts specified and from the dedicated funds and accounts
18 specified in LEAP document 2003-38, a computerized tabulation developed
19 by the legislative evaluation and accountability program committee on
20 June 2, 2003, which is hereby incorporated by reference. The office of
21 financial management shall allocate the moneys appropriated in this
22 section in the amounts specified and to the state agencies specified in
23 LEAP document 2003-38, and adjust appropriation schedules accordingly.~~

24 ~~(2))~~(a) The monthly employer funding rate for insurance benefit
25 premiums, public employees' benefits board administration, and the
26 uniform medical plan, shall not exceed \$504.89 per eligible employee
27 for fiscal year 2004, and ~~((~~\$592.30~~))~~ \$600.85 for fiscal year 2005.

28 (b) Within the rates in (a) of this subsection, \$4.13 per eligible
29 employee shall be included in the employer funding rate for fiscal year
30 2004, and \$2.11 per eligible employee shall be included in the employer
31 funding rate for fiscal year 2005, solely to increase life insurance
32 coverage in accordance with a court approved settlement in *Burbage et*
33 *al. v. State of Washington* (Thurston county superior court cause no.
34 94-2-02560-8).

35 (c) In order to achieve the level of funding provided for health
36 benefits, the public employees' benefits board shall require any or all

1 of the following: Employee premium copayments, increases in point-of-
2 service cost sharing, the implementation of managed competition, or
3 make other changes to benefits consistent with RCW 41.05.065.

4 (d) The health care authority shall deposit any moneys received on
5 behalf of the uniform medical plan as a result of rebates on
6 prescription drugs, audits of hospitals, subrogation payments, or any
7 other moneys recovered as a result of prior uniform medical plan claims
8 payments, into the public employees' and retirees' insurance account to
9 be used for insurance benefits. Such receipts shall not be used for
10 administrative expenditures.

11 ~~((3))~~ (2) The health care authority, subject to the approval of
12 the public employees' benefits board, shall provide subsidies for
13 health benefit premiums to eligible retired or disabled public
14 employees and school district employees who are eligible for parts A
15 and B of medicare, pursuant to RCW 41.05.085. From January 1, 2004,
16 through December 31, 2004, the subsidy shall be \$102.35. Starting
17 January 1, 2005, the subsidy shall be \$116.19 per month.

18 ~~((4))~~ (3) Technical colleges, school districts, and educational
19 service districts shall remit to the health care authority for deposit
20 into the public employees' and retirees' insurance account established
21 in RCW 41.05.120 the following amounts:

22 (a) For each full-time employee, \$42.76 per month beginning
23 September 1, 2003, and \$49.14 beginning September 1, 2004;

24 (b) For each part-time employee who, at the time of the remittance,
25 is employed in an eligible position as defined in RCW 41.32.010 or
26 41.40.010 and is eligible for employer fringe benefit contributions for
27 basic benefits, \$42.76 each month beginning September 1, 2003, and
28 \$49.14 beginning September 1, 2004, prorated by the proportion of
29 employer fringe benefit contributions for a full-time employee that the
30 part-time employee receives.

31 The remittance requirements specified in this subsection shall not
32 apply to employees of a technical college, school district, or
33 educational service district who purchase insurance benefits through
34 contracts with the health care authority.

35 ~~((5))~~ (4) The appropriations in this section include amounts
36 sufficient to fund health benefits for ferry workers at the premium
37 levels specified in subsection (2) of this section, consistent with the
38 2003-2005 transportation appropriations act.

1 funding to enhance the federal medical assistance percentage for the
2 2001-2003 (~~or 2003-2005 fiscal biennia~~) biennium as a result of the
3 jobs and growth tax relief reconciliation act of 2003 (P.L. 108-27),
4 the moneys shall be expended as an unanticipated receipt under RCW
5 43.79.270 and 43.79.280, subject to the following conditions and
6 limitations:

7 (a) The moneys shall be expended in the manner required by the
8 federal act;

9 (b) The federal moneys shall be expended in a manner that will
10 maximize the conservation of state moneys, which shall be placed in
11 reserve status and remain unexpended; and

12 (c) The director of financial management shall notify the
13 appropriate legislative fiscal committees of proposed allotment
14 modifications prior to expenditure of the federal moneys.

15 (2) If the state receives federal funding for the 2001-2003 (~~or~~
16 ~~2003-2005 fiscal biennia~~) biennium as a result of the jobs and growth
17 tax relief reconciliation act of 2003 (P.L. 108-27) in addition to the
18 funding described in subsection (1) of this section, the moneys may be
19 expended as an unanticipated receipt under RCW 43.79.270 and 43.79.280,
20 subject to the following conditions and limitations:

21 (a) The moneys shall be expended in the manner required by the
22 federal act;

23 (b) The federal moneys shall be expended for necessary state
24 services and in a manner that will maximize the conservation of state
25 moneys, which shall be placed in reserve status and remain unexpended;
26 and

27 (c) The director of financial management shall notify the
28 appropriate legislative fiscal committees of proposed allotment
29 modifications prior to expenditure of the federal moneys.

30 **Sec. 708.** 2003 1st sp.s. c 25 s 718 (uncodified) is amended to
31 read as follows:

32 **AGENCY EXPENDITURES FOR TORT LIABILITY.**

33 <u>General Fund--State Appropriation (FY 2005)</u>	(\$10,638,000)
34 <u>Dedicated Funds and Accounts Appropriation</u>	(\$4,317,000)
35 <u>TOTAL APPROPRIATION</u>	(\$14,955,000)

36

37 The appropriations in this section are subject to the following
38 conditions and limitations: The office of financial management shall

1 (~~reduce allotments for all agencies by \$10,638,000 from 2003-05~~
2 ~~biennial general fund appropriations in this act~~) update agency
3 appropriation schedules to reflect the reduction in contributions to
4 the liability account(~~(. The general fund allotment reduction shall be~~
5 ~~placed in unallotted status and remain unexpended)~~) as identified by
6 agency and account in LEAP Document 2004-05 dated February 21, 2004,
7 which is hereby incorporated by reference.

8 **Sec. 709.** 2003 1st sp.s. c 25 s 723 (uncodified) is amended to
9 read as follows:

10 **FOR SUNDRY CLAIMS.** The following sums, or so much thereof as may
11 be necessary, are appropriated from the general fund, unless otherwise
12 indicated, for relief of various individuals, firms, and corporations
13 for sundry claims. These appropriations are to be disbursed on
14 vouchers approved by the director of (~~general administration~~) the
15 office of financial management, except as otherwise provided, as
16 follows:

17 (1) Reimbursement of criminal defendants acquitted on the basis of
18 self-defense, pursuant to RCW 9A.16.110:

- 19 (a) Kelly C. Schwartz, claim number SCJ 03-10 \$18,250
- 20 (b) Clinton Johnston, claim number SCJ 04-02 \$8,225
- 21 (c) Johnny Riley, claim number SCJ 04-05 \$1,500
- 22 (d) Gregory Nichols, claim number SCJ 04-06 \$3,995
- 23 (e) William Poll, claim number SCJ 04-07 \$31,106
- 24 (f) John Obert, claim number SCJ 04-09 \$15,957

25 (2) Payment from the state wildlife account for damage to crops by
26 wildlife, pursuant to RCW 77.36.050:

- 27 (a) Circle S Landscape Supplies, claim number
- 28 SCG 03-05 \$49,380
- 29 (b) Marilyn Lund Farms, claim number SCG 03-08 \$17,175
- 30 (c) Paul Gibbons, claim number SCG 03-09 \$12,414
- 31 (d) Bud Hamilton, claim number SCG 03-10 \$15,591
- 32 (e) Richard Anderson, claim number SCG 03-11 \$75,933
- 33 (f) Neil Ice, claim number SCG 03-12 \$73,474
- 34 (g) Carl Anderson, claim number SCG 03-13 \$120,943
- 35 (h) Lafe Wilson, claim number SCG 04-02 \$626
- 36 (i) Richard Anderson, claim number SCG 04-04 \$28,998

1 NEW SECTION. **Sec. 710.** A new section is added to 2003 1st sp.s.
2 c 25 (uncodified) to read as follows:

3 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--WASHINGTON INTEGRATED JUSTICE**
4 **INFORMATION BOARD**

5 Public Safety and Education Account--State
6 Appropriation \$150,000

7 The appropriation in this section is subject to the following
8 conditions and limitations: The appropriation in this section is
9 provided solely to support the program office of the Washington
10 integrated justice information board.

11 NEW SECTION. **Sec. 711.** A new section is added to 2003 1st sp.s.
12 c 25 (uncodified) to read as follows:

13 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--HELP AMERICA VOTE ACT**
14 General Fund--State Appropriation (FY 2004) \$3,140,000

15 The appropriation in this section is subject to the following
16 conditions and limitations: The appropriation in this section is
17 provided solely for deposit in the state election account.

18 NEW SECTION. **Sec. 712.** A new section is added to 2003 1st sp.s.
19 c 25 (uncodified) to read as follows:

20 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--MADER LAWSUIT SETTLEMENT**
21 General Fund--State Appropriation (FY 2005) \$11,000,000

22 The appropriation in this section is subject to the following
23 conditions and limitations: The appropriation in this section is
24 provided solely for the purposes of settling all claims in *Mader et al.*
25 *v. Health Care Authority and State of Washington* (cause number
26 98-2-30850-8SEA). The expenditure of this appropriation is contingent
27 on the release of all claims in the case, and total settlement costs
28 shall not exceed the appropriation in this section.

29 If settlement is not executed by June 30, 2004, the appropriation
30 in this section shall lapse.

31 NEW SECTION. **Sec. 713.** A new section is added to 2003 1st sp.s.
32 c 25 (uncodified) to read as follows:

33 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--EXTRAORDINARY CRIMINAL JUSTICE**

1 **COSTS**

2 General Fund--State Appropriation (FY 2004) \$2,911,000

3 The appropriation in this section is subject to the following
4 conditions and limitations: The director of financial management shall
5 distribute the appropriation to the following counties in the amounts
6 designated for extraordinary criminal justice costs:

7 King \$2,743,000

8 Pacific \$168,000

9 NEW SECTION. **Sec. 714.** A new section is added to 2003 1st sp.s.
10 c 25 (uncodified) to read as follows:

11 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT--**
12 **COUNTY ASSISTANCE**

13 General Fund--State Appropriation (FY 2005) \$3,000,000

14 The appropriation in this section is subject to the following
15 conditions and limitations: The appropriation is provided solely for
16 deposit in the county assistance account, and the department shall
17 distribute the funding to counties in accordance with the provisions of
18 Substitute House Bill No. 3175 (financial assistance/county).

19 NEW SECTION. **Sec. 715.** A new section is added to 2003 1st sp.s.
20 c 25 (uncodified) to read as follows:

21 **FOR THE OFFICE OF THE GOVERNOR--JOINT TASK FORCE ON MENTAL HEALTH**

22 General Fund--State Appropriation (FY 2005) \$50,000

23 General Fund--Federal Appropriation \$30,000

24 TOTAL APPROPRIATION \$80,000

25 The appropriations in this section are subject to the following
26 conditions and limitations:

27 (1) The appropriations are provided solely for a joint legislative
28 and executive task force on mental health services delivery and
29 financing. The joint task force shall consist of eight members, as
30 follows: The secretary of the department of social and health services
31 or his or her designee; the president of the Washington state
32 association of counties or his or her designee; a representative from
33 the governor's office; two members of the senate appointed by the
34 president of the senate, one of whom shall be a member of the majority
35 caucus and one of whom shall be a member of the minority caucus; two

1 members of the house of representatives appointed by the speaker of the
2 house of representatives, one of whom shall be a member of the majority
3 caucus and one of whom shall be a member of the minority caucus; and
4 the chair of the joint legislative audit and review committee. Staff
5 support for the joint task force is provided by the office of financial
6 management, the house of representatives office of program research,
7 and senate committee services.

8 (2) The joint task force may create advisory committees to assist
9 the joint task force in its work.

10 (3) Joint task force members may be reimbursed for travel expenses
11 as authorized under RCW 43.03.050-060 and chapter 44.04 RCW, as
12 appropriate. Advisory committee members, if appointed, shall not
13 receive compensation or reimbursement for travel or expenses.

14 (4) The joint task force shall assess and make recommendations
15 related to:

16 (a) Progress made by the department of social and health services
17 and the regional support networks (i) towards implementation of a
18 performance-based measurement system that focuses on outcomes for
19 consumers served by the mental health system, and (ii) to reduce
20 duplicative and burdensome administrative and oversight requirements;

21 (b) The funding requirements for mental health services for
22 nonmedicaid consumers for the priority populations under chapter 71.24
23 RCW;

24 (c) The extent to which the current funding distribution
25 methodology achieves equity in funding and access to services for
26 mental health services consumers;

27 (d) The administrative structure of the community mental health
28 system as it relates to effectively meeting the goals established in
29 statute;

30 (e) The most effective and efficient mental health funding and
31 payment models (including capitated managed care), in light of
32 requirements of the federal balanced budget act of 1997 related to
33 state medicaid managed care contracting; and

34 (f) The types, numbers, and locations of inpatient psychiatric
35 hospital and community residential beds in both the private and public
36 sector.

37 (5) The joint task force shall report its initial findings and

1 recommendations to the governor and appropriate committees of the
2 legislature by January 1, 2005, and its final findings and
3 recommendations by June 30, 2005.

4 NEW SECTION. **Sec. 716.** A new section is added to 2003 1st sp.s.
5 c 25 (uncodified) to read as follows:

6 **FOR THE OFFICE OF FINANCIAL MANAGEMENT--SEX OFFENDER SENTENCING**
7 General Fund--State Appropriation (FY 2005) \$2,000,000

8 The appropriation in this section is subject to the following
9 conditions and limitations: The funding is provided to implement
10 proposed legislation revising criminal penalties for sex offenders. If
11 the legislation is not enacted by June 30, 2004, the amount provided in
12 this section shall lapse.

13 **Sec. 717.** 2003 1st sp.s. c 25 s 710 (uncodified) is amended to
14 read as follows:

15 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--CONTRIBUTIONS TO**
16 **RETIREMENT SYSTEMS.** The appropriations in this section are subject
17 to the following conditions and limitations: The appropriations for
18 the law enforcement officers' and firefighters' retirement system shall
19 be made on a monthly basis beginning July 1, 2003, consistent with
20 chapter 41.45 RCW, and the appropriations for the judges and judicial
21 retirement systems shall be made on a quarterly basis consistent with
22 chapters 2.10 and 2.12 RCW.

23 (1) There is appropriated for state contributions to the law
24 enforcement officers' and fire fighters' retirement system:

25 General Fund--State Appropriation (FY 2004) (~~(\$21,256,000)~~)
26 \$20,256,000
27 General Fund--State Appropriation (FY 2005) (~~(\$20,914,000)~~)
28 \$21,414,000

29 (2) There is appropriated for contributions to the judicial
30 retirement system:

31 General Fund--State Appropriation (FY 2004) \$6,000,000
32 General Fund--State Appropriation (FY 2005) \$6,000,000

33 (3) There is appropriated for contributions to the judges
34 retirement system:

35 General Fund--State Appropriation (FY 2004) \$500,000

1	General Fund--State Appropriation (FY 2005)	\$500,000
2	TOTAL APPROPRIATION	((\$55,170,000))
3		<u>\$54,670,000</u>

(End of part)

PART VIII

OTHER TRANSFERS AND APPROPRIATIONS

Sec. 801. 2003 1st sp.s. c 25 s 801 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER--STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance premium distributions ((~~\$4,711,500~~))
\$5,344,000

General Fund Appropriation for public utility district excise tax distributions ((~~\$39,273,684~~))
\$40,012,876

General Fund Appropriation for prosecuting attorney distributions ((~~\$3,441,197~~))
\$3,671,015

General Fund Appropriation for boating safety and education distributions ((~~\$4,074,300~~))
\$4,147,426

General Fund Appropriation for other tax distributions \$34,750

Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies \$2,123,723

Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution \$187,068

Timber Tax Distribution Account Appropriation for distribution to "timber" counties \$51,192,170

County Criminal Justice Assistance Appropriation ((~~\$52,131,000~~))
\$53,130,820

Municipal Criminal Justice Assistance Appropriation ((~~\$21,069,000~~))
\$21,069,120

Liquor Excise Tax Account Appropriation for liquor excise tax distribution \$32,624,831

Liquor Revolving Account Appropriation for

1 liquor profits distribution (~~(\$57,511,693)~~)
2 \$57,369,693
3 TOTAL APPROPRIATION (~~(\$268,374,916)~~)
4 \$270,907,492

5 The total expenditures from the state treasury under the
6 appropriations in this section shall not exceed the funds available
7 under statutory distributions for the stated purposes.

8 **Sec. 802.** 2003 1st sp.s. c 25 s 805 (uncodified) is amended to
9 read as follows:

10 **FOR THE STATE TREASURER--TRANSFERS.** For transfers in this section
11 to the state general fund, pursuant to RCW 43.135.035(5), the state
12 expenditure limit shall be increased by the amount of the transfer.
13 The increase shall occur in the fiscal year in which the transfer
14 occurs.

15 State Convention and Trade Center Account:
16 For transfer to the state general fund \$10,000,000
17 County Sale/Use Tax Equalization Account:
18 For transfer to the state general fund for
19 fiscal year 2004 \$74,000
20 Financial Services Regulation Fund: For transfer
21 to the state general fund at the beginning
22 of fiscal year 2005 (~~(\$1,632,000)~~)
23 \$7,285,000
24 Municipal Sale/Use Tax Equalization Account:
25 For transfer to the state general fund for
26 fiscal year 2004 \$374,000
27 Asbestos Account: For transfer to the state
28 general fund \$200,000
29 Electrical License Account: For transfer
30 to the state general fund \$7,000,000
31 Local Toxics Control Account: For transfer
32 to the state toxics control account \$4,059,000
33 Pressure Systems Safety Account: For transfer
34 to the state general fund \$1,000,000
35 Health Services Account: For transfer
36 to the water quality account \$8,182,000
37 State Treasurer's Service Account: For

1 From the Emergency Reserve Fund: For transfer
2 to the state general fund, not to exceed
3 the actual balance of the emergency reserve fund.
4 This transfer is intended to liquidate the
5 emergency reserve fund ((~~\$59,350,000~~))
6 \$58,100,000
7 Department of Retirement Systems Expense Account:
8 For transfer to the state general fund ((~~\$1,500,000~~))
9 \$3,500,000
10 Woodstove Education and Enforcement Account:
11 For transfer to the air pollution control account \$600,000
12 Multimodal Transportation Account: For transfer
13 to the air pollution control account for
14 fiscal year 2004. The amount transferred
15 shall be deposited into the segregated
16 subaccount of the air pollution control
17 account created in Engrossed Substitute
18 Senate Bill No. 6072, chapter 264, Laws of
19 2003. The state treasurer shall perform the
20 transfer from the multimodal transportation
21 account to the air pollution control subaccount
22 on a quarterly basis \$4,170,726
23 Multimodal Transportation Account: For transfer
24 to the vessel response account for fiscal
25 year 2004 \$1,213,704
26 Resource Management Cost Account: For transfer
27 to the contract harvesting revolving account \$250,000
28 Forest Development Account: For transfer to the
29 contract harvesting revolving account \$250,000
30 Site Closure Account: For transfer to the
31 state general fund \$13,800,000
32 Health Services Account: For transfer to the
33 general fund--state for fiscal year 2005 ((~~\$1,250,000~~))
34 \$27,753,000
35 K-20 Technology Account: For transfer to the state
36 general fund \$1,281
37 Motor Vehicle Fund: For transfer
38 to the Public Safety and Education Account \$831,000

1	<u>Gambling Revolving Fund, Nontribal Sources:</u>	
2	<u>For transfer to the state general fund</u>	<u>\$2,500,000</u>
3	<u>State Building Construction Account: For transfer</u>	
4	<u>to the conservation assistance revolving account</u>	<u>\$500,000</u>
5	<u>Education Technology Revolving Fund: For transfer</u>	
6	<u>to the data processing revolving account</u>	<u>\$296,000</u>
7	<u>Digital Government Revolving Account: For transfer</u>	
8	<u>to the data processing revolving account</u>	<u>\$154,000</u>
9	<u>Gambling Revolving Fund: For transfer to the problem</u>	
10	<u>gambling treatment account. If Second Substitute</u>	
11	<u>House Bill No. 2776 is not enacted by June 30,</u>	
12	<u>2004, this transfer is null and void</u>	<u>\$500,000</u>
13	<u>Wildlife Account: For transfer to the special</u>	
14	<u>wildlife account, \$250,000 in fiscal year</u>	
15	<u>2004 and \$250,000 in fiscal year 2005</u>	<u>\$500,000</u>

16 **Sec. 803.** 2003 1st sp.s. c 25 s 806 (uncodified) is amended to
17 read as follows:

18 **FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--TRANSFERS**

19	General Fund--State Appropriation: For	
20	transfer to the department of retirement	
21	systems expense account: For the	
22	administrative expenses of the judicial	
23	retirement system	<u>((\$21,901)</u>
24		<u>\$12,000</u>

(End of part)

1 state treasurer and transferred to the state treasurer to be credited
2 to the gambling revolving fund. Disbursements from the revolving fund
3 shall be on authorization of the commission or a duly authorized
4 representative thereof. In order to maintain an effective expenditure
5 and revenue control the gambling revolving fund shall be subject in all
6 respects to chapter 43.88 RCW but no appropriation shall be required to
7 permit expenditures and payment of obligations from such fund. All
8 expenses relative to commission business, including but not limited to
9 salaries and expenses of the director and other commission employees
10 shall be paid from the gambling revolving fund.

11 During the ~~((2001-))~~2003-2005 fiscal biennium, the legislature may
12 transfer from the gambling revolving fund to the problem gambling
13 treatment account. Also during the 2003-2005 fiscal biennium, the
14 legislature may transfer from the gambling revolving fund to the state
15 general fund such amounts as reflect the excess nontribal fund balance
16 of the fund ~~((and reductions made by the 2002 supplemental~~
17 ~~appropriations act for administrative efficiencies and savings)).~~

18 **Sec. 904.** RCW 28A.160.195 and 1995 1st sp.s. c 10 s 1 are each
19 amended to read as follows:

20 (1) The superintendent of public instruction, in consultation with
21 the regional transportation coordinators of the educational service
22 districts, shall establish a minimum number of school bus categories
23 considering the capacity and type of vehicles required by school
24 districts in Washington. The superintendent, in consultation with the
25 regional transportation coordinators of the educational service
26 districts, shall establish competitive specifications for each category
27 of school bus. The categories shall be developed to produce minimum
28 long-range operating costs, including costs of equipment and all costs
29 in operating the vehicles. The categories, for purposes of comparative
30 studies, will be at a minimum the same as those in the beginning of the
31 1994-95 school year. The competitive specifications shall meet federal
32 motor vehicle safety standards, minimum state specifications as
33 established by rule by the superintendent, and supported options as
34 determined by the superintendent in consultation with the regional
35 transportation coordinators of the educational service districts. In
36 fiscal year 2005, the superintendent may solicit and accept price

1 quotes for a rear-engine category school bus that shall be reimbursed
2 at the price of the corresponding front engine category.

3 (2) After establishing school bus categories and competitive
4 specifications, the superintendent of public instruction shall solicit
5 competitive price quotes from school bus dealers to be in effect for
6 one year and shall (a) except in fiscal year 2005, establish a list of
7 the lowest competitive price quotes obtained under this subsection, and
8 (b) in fiscal year 2005, establish a list of all accepted price quotes
9 in each category obtained under this subsection.

10 (3) The superintendent shall base the level of reimbursement to
11 school districts and educational service districts for school buses on
12 the lowest quote in each category.

13 (4) Notwithstanding RCW 28A.335.190, school districts and
14 educational service districts may purchase at the quoted price directly
15 from the dealer who is providing the lowest competitive price quote on
16 the list established under subsection (2) of this section and in fiscal
17 year 2005 from any dealer on the list established under subsection
18 (2)(b) of this section. School districts and educational service
19 districts may make their own selections for school buses, but shall be
20 reimbursed at the rates determined under (~~this section~~) subsection
21 (3) of this section and RCW 28A.160.200. District-selected options
22 shall not be reimbursed by the state. For the 2003-05 fiscal biennium,
23 school districts and educational service districts shall be reimbursed
24 for buses purchased only through a lowest-price competitive bid process
25 conducted pursuant to RCW 28A.335.190 or through the state bid process
26 established by this section.

27 (5) This section does not prohibit school districts or educational
28 service districts from conducting their own competitive bid process.

29 (6) The superintendent of public instruction may adopt rules under
30 chapter 34.05 RCW to implement this section.

31 **Sec. 905.** RCW 28A.650.035 and 1993 c 336 s 708 are each amended to
32 read as follows:

33 (1) The superintendent of public instruction may receive such
34 gifts, grants, and endowments from public or private sources as may be
35 made from time to time, in trust or otherwise, for the use and benefit
36 of the purposes of educational technology and expend the same or any

1 income therefrom according to the terms of the gifts, grants, or
2 endowments.

3 (2) The education technology account is hereby established in the
4 custody of the state treasurer. The superintendent of public
5 instruction shall deposit in the account all moneys received from
6 gifts, grants, or endowments for education technology. Moneys in the
7 account may be spent only for education technology. Disbursements from
8 the account shall be on authorization of the superintendent of public
9 instruction or the superintendent's designee. The account is subject
10 to the allotment procedure provided under chapter 43.88 RCW, but no
11 appropriation is required for disbursements.

12 (3) During the 2003-2005 biennium, the legislature may transfer
13 moneys from the education technology account to the data processing
14 revolving fund such amounts as reflect the excess fund balance of the
15 account.

16 **Sec. 906.** RCW 28B.102.040 and 1987 c 437 s 4 are each amended to
17 read as follows:

18 The higher education coordinating board shall establish a planning
19 committee to develop criteria for the screening and selection of
20 recipients of the conditional scholarships. These criteria shall
21 emphasize factors demonstrating excellence including but not limited to
22 superior scholastic achievement, leadership ability, community
23 contributions, and an ability to act as a role model for targeted
24 ethnic minority students. These criteria also may include, for
25 approximately half of the recipients, requirements that those
26 recipients meet the definition of "needy student" under RCW 28B.10.802.

27 Subject to enactment of chapter . . . , Laws of 2004 (SHB 2708), for
28 fiscal year 2005, additional priority shall be given to such
29 individuals who are also bilingual. It is the intent of the
30 legislature to develop a pool of dual-language teachers in order to
31 meet the challenge of educating students who are dominant in languages
32 other than English.

33 **Sec. 907.** RCW 28B.119.010 and 2003 c 233 s 5 are each amended to
34 read as follows:

35 The higher education coordinating board shall design the Washington
36 promise scholarship program based on the following parameters:

1 (1) Scholarships shall be awarded to students graduating from
2 public and approved private high schools under chapter 28A.195 RCW,
3 students participating in home-based instruction as provided in chapter
4 28A.200 RCW, and persons twenty-one years of age or younger receiving
5 a GED certificate, who meet both an academic and a financial
6 eligibility criteria.

7 (a) Academic eligibility criteria shall be defined as follows:

8 (i) Beginning with the graduating class of 2002, students
9 graduating from public and approved private high schools under chapter
10 28A.195 RCW must be in the top fifteen percent of their graduating
11 class, as identified by each respective high school at the completion
12 of the first term of the student's senior year; or

13 (ii) Students graduating from public high schools, approved private
14 high schools under chapter 28A.195 RCW, students participating in home-
15 based instruction as provided in chapter 28A.200 RCW, and persons
16 twenty-one years of age or younger receiving a GED certificate, must
17 equal or exceed a cumulative scholastic assessment test I score of
18 twelve hundred on their first attempt or must equal or exceed a
19 composite American college test score of twenty-seven on their first
20 attempt.

21 (b) To meet the financial eligibility criteria, a student's family
22 income shall not exceed one hundred thirty-five percent of the state
23 median family income adjusted for family size, as determined by the
24 higher education coordinating board for each graduating class.
25 Students not meeting the eligibility requirements for the first year of
26 scholarship benefits may reapply for the second year of benefits, but
27 must still meet the income standard set by the board for the student's
28 graduating class. Beginning with the graduating class of 2004, a
29 student's family income shall not exceed one hundred twenty percent of
30 the state median family income adjusted for family size, as determined
31 by the higher education coordinating board.

32 (2) Promise scholarships are not intended to supplant any grant,
33 scholarship, or tax program related to postsecondary education. If the
34 board finds that promise scholarships supplant or reduce any grant,
35 scholarship, or tax program for categories of students, then the board
36 shall adjust the financial eligibility criteria or the amount of
37 scholarship to the level necessary to avoid supplanting.

1 (3) Within available funds, each qualifying student shall receive
2 two consecutive annual awards, the value of each not to exceed the
3 full-time annual resident tuition rates charged by Washington's
4 community colleges. The higher education coordinating board shall
5 award scholarships to as many students as possible from among those
6 qualifying under this section.

7 (4) By October 15th of each year, the board shall determine the
8 award amount of the scholarships, after taking into consideration the
9 availability of funds.

10 (5) The scholarships may only be used for undergraduate coursework
11 at accredited institutions of higher education in the state of
12 Washington.

13 (6) The scholarships may be used for undergraduate coursework at
14 Oregon institutions of higher education that are part of the border
15 county higher education opportunity project in RCW 28B.80.806 when
16 those institutions offer programs not available at accredited
17 institutions of higher education in Washington state.

18 (7) The scholarships may be used for college-related expenses,
19 including but not limited to, tuition, room and board, books, and
20 materials.

21 (8) The scholarships may not be awarded to any student who is
22 pursuing a degree in theology.

23 (9) The higher education coordinating board may establish
24 satisfactory progress standards for the continued receipt of the
25 promise scholarship.

26 (10) The higher education coordinating board shall establish the
27 time frame within which the student must use the scholarship.

28 **Sec. 908.** RCW 43.83.020 and 1991 sp.s. c 13 s 46 are each amended
29 to read as follows:

30 (1) The proceeds from the sale of the bonds authorized herein shall
31 be deposited in the state building construction account which is hereby
32 established in the state treasury and shall be used exclusively for the
33 purposes of carrying out the provisions of the capital appropriation
34 acts, and for payment of the expense incurred in the printing,
35 issuance, and sale of such bonds.

36 (2) During the 2003-2005 biennium, the legislature may transfer

1 moneys from the state building construction account to the conservation
2 assistance revolving account such amounts as reflect the excess fund
3 balance of the account.

4 **Sec. 909.** RCW 43.88.030 and 2002 c 371 s 911 are each amended to
5 read as follows:

6 (1) The director of financial management shall provide all agencies
7 with a complete set of instructions for submitting biennial budget
8 requests to the director at least three months before agency budget
9 documents are due into the office of financial management. The
10 director shall provide agencies and committees that are required under
11 RCW 44.40.070 to develop comprehensive six-year program and financial
12 plans with a complete set of instructions for submitting these program
13 and financial plans at the same time that instructions for submitting
14 other budget requests are provided. The budget document or documents
15 shall consist of the governor's budget message which shall be
16 explanatory of the budget and shall contain an outline of the proposed
17 financial policies of the state for the ensuing fiscal period, as well
18 as an outline of the proposed six-year financial policies where
19 applicable, and shall describe in connection therewith the important
20 features of the budget. The message shall set forth the reasons for
21 salient changes from the previous fiscal period in expenditure and
22 revenue items and shall explain any major changes in financial policy.
23 Attached to the budget message shall be such supporting schedules,
24 exhibits and other explanatory material in respect to both current
25 operations and capital improvements as the governor shall deem to be
26 useful to the legislature. The budget document or documents shall set
27 forth a proposal for expenditures in the ensuing fiscal period, or six-
28 year period where applicable, based upon the estimated revenues and
29 caseloads as approved by the economic and revenue forecast council and
30 caseload forecast council or upon the estimated revenues and caseloads
31 of the office of financial management for those funds, accounts,
32 sources, and programs for which the forecast councils do not prepare an
33 official forecast, including those revenues anticipated to support the
34 six-year programs and financial plans under RCW 44.40.070. In
35 estimating revenues to support financial plans under RCW 44.40.070, the
36 office of financial management shall rely on information and advice
37 from the transportation revenue forecast council. Revenues shall be

1 estimated for such fiscal period from the source and at the rates
2 existing by law at the time of submission of the budget document,
3 including the supplemental budgets submitted in the even-numbered years
4 of a biennium. However, the estimated revenues and caseloads for use
5 in the governor's budget document may be adjusted to reflect budgetary
6 revenue transfers and revenue and caseload estimates dependent upon
7 budgetary assumptions of enrollments, workloads, and caseloads. All
8 adjustments to the approved estimated revenues and caseloads must be
9 set forth in the budget document. The governor may additionally
10 submit, as an appendix to each supplemental, biennial, or six-year
11 agency budget or to the budget document or documents, a proposal for
12 expenditures in the ensuing fiscal period from revenue sources derived
13 from proposed changes in existing statutes.

14 Supplemental and biennial documents shall reflect a six-year
15 expenditure plan consistent with estimated revenues from existing
16 sources and at existing rates for those agencies required to submit
17 six-year program and financial plans under RCW 44.40.070. Any
18 additional revenue resulting from proposed changes to existing statutes
19 shall be separately identified within the document as well as related
20 expenditures for the six-year period.

21 The budget document or documents shall also contain:

22 (a) Revenues classified by fund and source for the immediately past
23 fiscal period, those received or anticipated for the current fiscal
24 period, those anticipated for the ensuing biennium, and those
25 anticipated for the ensuing six-year period to support the six-year
26 programs and financial plans required under RCW 44.40.070;

27 (b) The undesignated fund balance or deficit, by fund;

28 (c) Such additional information dealing with expenditures,
29 revenues, workload, performance, and personnel as the legislature may
30 direct by law or concurrent resolution;

31 (d) Such additional information dealing with revenues and
32 expenditures as the governor shall deem pertinent and useful to the
33 legislature;

34 (e) Tabulations showing expenditures classified by fund, function,
35 activity, and agency. However, documents submitted for the ((2003-05))
36 2005-07 biennial budget request need not show expenditures by activity;

37 (f) A delineation of each agency's activities, including those

1 activities funded from nonbudgeted, nonappropriated sources, including
2 funds maintained outside the state treasury;

3 (g) Identification of all proposed direct expenditures to implement
4 the Puget Sound water quality plan under chapter 90.71 RCW, shown by
5 agency and in total; and

6 (h) Tabulations showing each postretirement adjustment by
7 retirement system established after fiscal year 1991, to include, but
8 not be limited to, estimated total payments made to the end of the
9 previous biennial period, estimated payments for the present biennium,
10 and estimated payments for the ensuing biennium.

11 (2) The budget document or documents shall include detailed
12 estimates of all anticipated revenues applicable to proposed operating
13 or capital expenditures and shall also include all proposed operating
14 or capital expenditures. The total of beginning undesignated fund
15 balance and estimated revenues less working capital and other reserves
16 shall equal or exceed the total of proposed applicable expenditures.
17 The budget document or documents shall further include:

18 (a) Interest, amortization and redemption charges on the state
19 debt;

20 (b) Payments of all reliefs, judgments, and claims;

21 (c) Other statutory expenditures;

22 (d) Expenditures incident to the operation for each agency;

23 (e) Revenues derived from agency operations;

24 (f) Expenditures and revenues shall be given in comparative form
25 showing those incurred or received for the immediately past fiscal
26 period and those anticipated for the current biennium and next ensuing
27 biennium, as well as those required to support the six-year programs
28 and financial plans required under RCW 44.40.070;

29 (g) A showing and explanation of amounts of general fund and other
30 funds obligations for debt service and any transfers of moneys that
31 otherwise would have been available for appropriation;

32 (h) Common school expenditures on a fiscal-year basis;

33 (i) A showing, by agency, of the value and purpose of financing
34 contracts for the lease/purchase or acquisition of personal or real
35 property for the current and ensuing fiscal periods; and

36 (j) A showing and explanation of anticipated amounts of general
37 fund and other funds required to amortize the unfunded actuarial

1 accrued liability of the retirement system specified under chapter
2 41.45 RCW, and the contributions to meet such amortization, stated in
3 total dollars and as a level percentage of total compensation.

4 (3) A separate capital budget document or schedule shall be
5 submitted that will contain the following:

6 (a) A statement setting forth a long-range facilities plan for the
7 state that identifies and includes the highest priority needs within
8 affordable spending levels;

9 (b) A capital program consisting of proposed capital projects for
10 the next biennium and the two biennia succeeding the next biennium
11 consistent with the long-range facilities plan. Inasmuch as is
12 practical, and recognizing emergent needs, the capital program shall
13 reflect the priorities, projects, and spending levels proposed in
14 previously submitted capital budget documents in order to provide a
15 reliable long-range planning tool for the legislature and state
16 agencies;

17 (c) A capital plan consisting of proposed capital spending for at
18 least four biennia succeeding the next biennium;

19 (d) A strategic plan for reducing backlogs of maintenance and
20 repair projects. The plan shall include a prioritized list of specific
21 facility deficiencies and capital projects to address the deficiencies
22 for each agency, cost estimates for each project, a schedule for
23 completing projects over a reasonable period of time, and
24 identification of normal maintenance activities to reduce future
25 backlogs;

26 (e) A statement of the reason or purpose for a project;

27 (f) Verification that a project is consistent with the provisions
28 set forth in chapter 36.70A RCW;

29 (g) A statement about the proposed site, size, and estimated life
30 of the project, if applicable;

31 (h) Estimated total project cost;

32 (i) For major projects valued over five million dollars, estimated
33 costs for the following project components: Acquisition, consultant
34 services, construction, equipment, project management, and other costs
35 included as part of the project. Project component costs shall be
36 displayed in a standard format defined by the office of financial
37 management to allow comparisons between projects;

1 (j) Estimated total project cost for each phase of the project as
2 defined by the office of financial management;

3 (k) Estimated ensuing biennium costs;

4 (l) Estimated costs beyond the ensuing biennium;

5 (m) Estimated construction start and completion dates;

6 (n) Source and type of funds proposed;

7 (o) Estimated ongoing operating budget costs or savings resulting
8 from the project, including staffing and maintenance costs;

9 (p) For any capital appropriation requested for a state agency for
10 the acquisition of land or the capital improvement of land in which the
11 primary purpose of the acquisition or improvement is recreation or
12 wildlife habitat conservation, the capital budget document, or an
13 omnibus list of recreation and habitat acquisitions provided with the
14 governor's budget document, shall identify the projected costs of
15 operation and maintenance for at least the two biennia succeeding the
16 next biennium. Omnibus lists of habitat and recreation land
17 acquisitions shall include individual project cost estimates for
18 operation and maintenance as well as a total for all state projects
19 included in the list. The document shall identify the source of funds
20 from which the operation and maintenance costs are proposed to be
21 funded;

22 (q) Such other information bearing upon capital projects as the
23 governor deems to be useful;

24 (r) Standard terms, including a standard and uniform definition of
25 normal maintenance, for all capital projects;

26 (s) Such other information as the legislature may direct by law or
27 concurrent resolution.

28 For purposes of this subsection (3), the term "capital project"
29 shall be defined subsequent to the analysis, findings, and
30 recommendations of a joint committee comprised of representatives from
31 the house capital appropriations committee, senate ways and means
32 committee, legislative transportation committee, legislative evaluation
33 and accountability program committee, and office of financial
34 management.

35 (4) No change affecting the comparability of agency or program
36 information relating to expenditures, revenues, workload, performance
37 and personnel shall be made in the format of any budget document or
38 report presented to the legislature under this section or RCW

1 43.88.160(1) relative to the format of the budget document or report
2 which was presented to the previous regular session of the legislature
3 during an odd-numbered year without prior legislative concurrence.
4 Prior legislative concurrence shall consist of (a) a favorable majority
5 vote on the proposal by the standing committees on ways and means of
6 both houses if the legislature is in session or (b) a favorable
7 majority vote on the proposal by members of the legislative evaluation
8 and accountability program committee if the legislature is not in
9 session.

10 **Sec. 910.** RCW 43.105.830 and 1999 c 285 s 9 are each amended to
11 read as follows:

12 (1) The K-20 technology account is hereby created in the state
13 treasury. The department of information services shall deposit into
14 the account moneys received from legislative appropriations, gifts,
15 grants, and endowments for the buildout and installation of the K-20
16 telecommunication system. The account shall be subject to
17 appropriation and may be expended solely for the K-20 telecommunication
18 system. Disbursements from the account shall be on authorization of
19 the director of the department of information services with approval of
20 the board.

21 (2) During the 2003-2005 biennium, the legislature may transfer
22 moneys from the K-20 technology account to the state general fund such
23 amounts as reflect the excess fund balance of the account.

24 **Sec. 911.** RCW 69.50.520 and 2003 1st sp.s. c 25 s 930 are each
25 amended to read as follows:

26 The violence reduction and drug enforcement account is created in
27 the state treasury. All designated receipts from RCW 9.41.110(8),
28 66.24.210(4), 66.24.290(2), 69.50.505(~~((+i)+(1+))~~) (9)(a), 82.08.150(5),
29 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989
30 shall be deposited into the account. Expenditures from the account may
31 be used only for funding services and programs under chapter 271, Laws
32 of 1989 and chapter 7, Laws of 1994 sp. sess., including state
33 incarceration costs. Funds from the account may also be appropriated
34 to reimburse local governments for costs associated with implementing
35 criminal justice legislation including chapter 338, Laws of 1997.
36 During the 2003-2005 biennium, funds from the account may also be used

1 for costs associated with providing grants to local governments in
2 accordance with chapter 338, Laws of 1997, funding drug offender
3 treatment services in accordance with RCW 70.96A.350, maintenance and
4 operating costs of the Washington association of sheriffs and police
5 chiefs jail reporting system, maintenance and operating costs of the
6 juvenile rehabilitation administration's client activity tracking
7 system, civil indigent legal representation, multijurisdictional
8 narcotics task forces, and grants to community networks under chapter
9 70.190 RCW by the family policy council.

10 **Sec. 912.** RCW 74.46.431 and 2001 1st sp.s. c 8 s 5 are each
11 amended to read as follows:

12 (1) Effective July 1, 1999, nursing facility medicaid payment rate
13 allocations shall be facility-specific and shall have seven components:
14 Direct care, therapy care, support services, operations, property,
15 financing allowance, and variable return. The department shall
16 establish and adjust each of these components, as provided in this
17 section and elsewhere in this chapter, for each medicaid nursing
18 facility in this state.

19 (2) All component rate allocations for essential community
20 providers as defined in this chapter shall be based upon a minimum
21 facility occupancy of eighty-five percent of licensed beds, regardless
22 of how many beds are set up or in use. For all facilities other than
23 essential community providers, effective July 1, 2001, component rate
24 allocations in direct care, therapy care, support services, variable
25 return, operations, property, and financing allowance shall continue to
26 be based upon a minimum facility occupancy of eighty-five percent of
27 licensed beds. For all facilities other than essential community
28 providers, effective July 1, 2002, the component rate allocations in
29 operations, property, and financing allowance shall be based upon a
30 minimum facility occupancy of ninety percent of licensed beds,
31 regardless of how many beds are set up or in use.

32 (3) Information and data sources used in determining medicaid
33 payment rate allocations, including formulas, procedures, cost report
34 periods, resident assessment instrument formats, resident assessment
35 methodologies, and resident classification and case mix weighting
36 methodologies, may be substituted or altered from time to time as
37 determined by the department.

1 (4)(a) Direct care component rate allocations shall be established
2 using adjusted cost report data covering at least six months. Adjusted
3 cost report data from 1996 will be used for October 1, 1998, through
4 June 30, 2001, direct care component rate allocations; adjusted cost
5 report data from 1999 will be used for July 1, 2001, through June 30,
6 ((2004)) 2005, direct care component rate allocations.

7 (b) Direct care component rate allocations based on 1996 cost
8 report data shall be adjusted annually for economic trends and
9 conditions by a factor or factors defined in the biennial
10 appropriations act. A different economic trends and conditions
11 adjustment factor or factors may be defined in the biennial
12 appropriations act for facilities whose direct care component rate is
13 set equal to their adjusted June 30, 1998, rate, as provided in RCW
14 74.46.506(5)(i).

15 (c) Direct care component rate allocations based on 1999 cost
16 report data shall be adjusted annually for economic trends and
17 conditions by a factor or factors defined in the biennial
18 appropriations act. A different economic trends and conditions
19 adjustment factor or factors may be defined in the biennial
20 appropriations act for facilities whose direct care component rate is
21 set equal to their adjusted June 30, 1998, rate, as provided in RCW
22 74.46.506(5)(i).

23 (5)(a) Therapy care component rate allocations shall be established
24 using adjusted cost report data covering at least six months. Adjusted
25 cost report data from 1996 will be used for October 1, 1998, through
26 June 30, 2001, therapy care component rate allocations; adjusted cost
27 report data from 1999 will be used for July 1, 2001, through June 30,
28 ((2004)) (2005), therapy care component rate allocations.

29 (b) Therapy care component rate allocations shall be adjusted
30 annually for economic trends and conditions by a factor or factors
31 defined in the biennial appropriations act.

32 (6)(a) Support services component rate allocations shall be
33 established using adjusted cost report data covering at least six
34 months. Adjusted cost report data from 1996 shall be used for October
35 1, 1998, through June 30, 2001, support services component rate
36 allocations; adjusted cost report data from 1999 shall be used for July
37 1, 2001, through June 30, ((2004)) 2005, support services component
38 rate allocations.

1 (b) Support services component rate allocations shall be adjusted
2 annually for economic trends and conditions by a factor or factors
3 defined in the biennial appropriations act.

4 (7)(a) Operations component rate allocations shall be established
5 using adjusted cost report data covering at least six months. Adjusted
6 cost report data from 1996 shall be used for October 1, 1998, through
7 June 30, 2001, operations component rate allocations; adjusted cost
8 report data from 1999 shall be used for July 1, 2001, through June 30,
9 ((2004)) 2005, operations component rate allocations.

10 (b) Operations component rate allocations shall be adjusted
11 annually for economic trends and conditions by a factor or factors
12 defined in the biennial appropriations act.

13 (8) For July 1, 1998, through September 30, 1998, a facility's
14 property and return on investment component rates shall be the
15 facility's June 30, 1998, property and return on investment component
16 rates, without increase. For October 1, 1998, through June 30, 1999,
17 a facility's property and return on investment component rates shall be
18 rebased utilizing 1997 adjusted cost report data covering at least six
19 months of data.

20 (9) Total payment rates under the nursing facility medicaid payment
21 system shall not exceed facility rates charged to the general public
22 for comparable services.

23 (10) Medicaid contractors shall pay to all facility staff a minimum
24 wage of the greater of the state minimum wage or the federal minimum
25 wage.

26 (11) The department shall establish in rule procedures, principles,
27 and conditions for determining component rate allocations for
28 facilities in circumstances not directly addressed by this chapter,
29 including but not limited to: The need to prorate inflation for
30 partial-period cost report data, newly constructed facilities, existing
31 facilities entering the medicaid program for the first time or after a
32 period of absence from the program, existing facilities with expanded
33 new bed capacity, existing medicaid facilities following a change of
34 ownership of the nursing facility business, facilities banking beds or
35 converting beds back into service, facilities temporarily reducing the
36 number of set-up beds during a remodel, facilities having less than six
37 months of either resident assessment, cost report data, or both, under
38 the current contractor prior to rate setting, and other circumstances.

1 (12) The department shall establish in rule procedures, principles,
2 and conditions, including necessary threshold costs, for adjusting
3 rates to reflect capital improvements or new requirements imposed by
4 the department or the federal government. Any such rate adjustments
5 are subject to the provisions of RCW 74.46.421.

6 (13) Effective July 1, 2001, medicaid rates shall continue to be
7 revised downward in all components, in accordance with department
8 rules, for facilities converting banked beds to active service under
9 chapter 70.38 RCW, by using the facility's increased licensed bed
10 capacity to recalculate minimum occupancy for rate setting. However,
11 for facilities other than essential community providers which bank beds
12 under chapter 70.38 RCW, after May 25, 2001, medicaid rates shall be
13 revised upward, in accordance with department rules, in direct care,
14 therapy care, support services, and variable return components only, by
15 using the facility's decreased licensed bed capacity to recalculate
16 minimum occupancy for rate setting, but no upward revision shall be
17 made to operations, property, or financing allowance component rates.

18 (14) Facilities obtaining a certificate of need or a certificate of
19 need exemption under chapter 70.38 RCW after June 30, 2001, must have
20 a certificate of capital authorization in order for (a) the
21 depreciation resulting from the capitalized addition to be included in
22 calculation of the facility's property component rate allocation; and
23 (b) the net invested funds associated with the capitalized addition to
24 be included in calculation of the facility's financing allowance rate
25 allocation.

26 NEW SECTION. **Sec. 913.** If any provision of this act or its
27 application to any person or circumstance is held invalid, the
28 remainder of the act or the application of the provision to other
29 persons or circumstances is not affected.

30 NEW SECTION. **Sec. 914.** This act is necessary for the immediate
31 preservation of the public peace, health, or safety, or support of the
32 state government and its existing public institutions, and takes effect
33 immediately.

(End of part)

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